skillcast®

Digital Compliance Success

Skillcast Group PLC Annual Report 2023

Contents

Highlights

Total revenues up 15% at £11.3 million (2022: £9.8 million)

- Revenue increase was driven by strong growth in recurring subscription revenues, up 28% at £8.5 million (2022: £6.7 million).
- Annualised recurring revenue (ARR)* up 37% to £9.3 million (December 2022: £6.8 million) predominantly from new client acquisitions.
- Recurring subscriptions contributed to 76% of total revenues (2022: 68%).
- Non-strategic professional services revenues declined 12% to £2.8 million (2021: £3.1 million).

Gross margin remained strong at 69.7% (2022: 70.1%)

LBITDA of £0.6 million (2022: £0.3 million)

- Overhead investment rate slowed to increase on the prior year by £1.3 million (2022: £2.5 million).
- Headcount increased by 6% in the year to 118 (2022: 111).
- All research and development is expensed.

Strong net cash position at 31 December 2023 of £7.2 million (31 December 2022 net cash: £7.7 million)

- Up-front payments on increased subscription revenues support losses.
- Free cash flow** of -£0.1 million (2022: £0.3 million) despite £0.6 million LBITDA.

Basic LPS -0.733 pence per share (2022: LPS -0.460 pence)

Total dividend of 0.447 pence per share (2022: 0.447 pence)

- Final dividend proposed: 0.279 pence.
- Interim dividend paid: 0.168 pence.

Operational highlights

- Total number of clients grew to over 1,200.
- Net retention of 105% supported by price rises and launch of new products and reduced churn.
- Launched B2B e-commerce self-serve offer for small businesses.
- Repositioned product offering into Basic, Standard and Premium.
- Expanded marketing activity and recruited Head of Marketing.
- Maintained excellent customer service records (Feefo Platinum Service Award 4.9/5.0) while achieving growth targets.
- ESG: retained our carbon-neutral position.

£11.3m
Total revenue
2022: £9.3m

+15%
Total revenue growth
2022: +17%

+28%
Subscription revenue growth
2022: +28%

+37% to
£9.3m
ARR*
2022: £6.8m

76%
Recurring revenue mix
2022: 68%

69.7%
Gross margin
2022: 70.1%

-£0.6m
LBITDA
2022: -£0.3m

£7.2m
Net cash
2022: £7.7m

£-0.1m
Free cash flow**
2022: +£0.3m

-0.733 pence
LPS
2022: 0.460 pence

0.447 pence
Total dividend
2022: 0.447 pence

118
Headcount 31 December 2023
2022: 111

* Annualised Recurring Revenue (ARR) is calculated by annualizing revenue recognised in a given month from all client subscriptions on annual contracts.

** Free cash flow is calculated as net cash flows from operations less capital expenditure and lease costs.

At a Glance

Our purpose

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

Who we are

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

Our vision is to be the leading provider of digital training and technology for staff compliance.

Investing for growth

The corporate compliance market is large, resilient, fragmented and growing, and the directors believe Skillcast is well-positioned to thrive. The Group boosted its already strong balance sheet at the time of its AIM admission in December 2021 and is investing in its products, technology, commercial teams and organisational structure.

What we do

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

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

Our Customers

Over 1,200 companies use Skillcast's SaaS (Software as a Service) products and consultancy services to support over 1.2 million employees to meet their compliance requirements. Originally targeting the financial services industry, 39% of revenues now come from other sectors, including retail, manufacturing, transport and real estate.

Strategic Report

STRATEGIC REPORT

Chairman's Statement

I am pleased to be reporting on another positive year of progress for Skillcast. 2023 was an important year for us as we sought to generate returns on the investments that we made in the prior year. We made good progress in this regard over the last twelve months and are excited about prospects for the future.

Results and dividend

We achieved another strong set of financial results for the year ended 31 December 2023 with progress made on all the key financial metrics that we target. Particularly important was that we returned to growth levels that the business had historically achieved after the planned consolidation in the prior year, as we invested to build a platform for growth. Revenue of £11.3 million was up 15% on the prior year (2022: £9.8 million) but within that the strategically critical subscription-as-a-service (SaaS) revenue was up 28%. Annualised Recurring Revenue ('ARR'), which is the key metric we track as a guide for future prospects, was up 37%. As anticipated, profitability has been impacted by the full year impact of the headcount investment that we made in the prior year. But the full year LBITDA of £0.6 million was all made in the first half of the year, with the second half reporting a small positive EBITDA as we started to see the returns on those investments. Our balance sheet remains strong with £7.2 million of cash at the year-end (31 December 2022: £7.7 million).

Revenue
↑15%

ARR
↑37%

It is the Board's stated policy to maintain the full year dividend at least at the recent historic level for the foreseeable future as we seek to return the business to profitability. We see that as an important financial discipline for a business with repeatable revenues that provide strong cash generation. Accordingly, at the AGM on 25 June 2024, the Board will propose a final dividend per share of 0.279p. Taken in combination with an interim dividend per share of 0.168p that was paid in October 2023 this will retain the full year dividend at £400,000 (2022: £400,000) with the full year dividend per share unchanged at 0.447p (2022: 0.447p). The Board will review and consider a progressive dividend policy when the Group has returned to profitability.

Strategy

Skillcast's overall strategy remains as set out when we came to the AIM market in 2021. Our purpose is to enable companies to build ethical and resilient workplaces and our vision is to be the leading provider of digital training and technology for workplace compliance.

Companies face an ever-increasing burden of compliance and at the same time are facing a real need to find efficiencies in the current cost-pressured environment. Vivek Dodd's CEO Review sets out how Skillcast is helping companies meet these challenges and highlights some important enhancements that we have made over the last twelve months to make our solutions easier for customers to engage with and more compelling commercially.

Our primary strategic imperative remains on driving the organic growth of repeatable subscription-based revenues through a focus on supporting existing clients with a wider range of products and by acquiring similar new customers. We primarily target new clients in regulated industries where the burden of compliance is at its highest, although our services are equally applicable to all companies that have a need for efficient workplace compliance solutions. And whilst we are equally able to support companies of all sizes, our 'sweet spot' is medium-sized enterprises for whom compliance requirements are increasingly complex but who are not large enough to warrant full bespoke solutions.

Companies face an ever increasing burden of compliance and at the same time are facing a real need to find efficiencies in the current cost-pressured environment.

Our priorities going forward will primarily revolve around organic growth. However, with under-utilised cash resources on our balance sheet and having built the technology and people-related infrastructure of the business over the last two years, we are now prepared to enhance that organic growth through targeted bolt-on acquisitions. Appropriate targets are likely to be UK focused and would bring additional content and customer relationships into our existing capabilities. As well as offering an increment to our organic growth plans, once integrated they would be expected to contribute organic growth of their own.

People and organisation

As planned, headcount growth in 2023 was much slower than it had been in the prior year, and we now feel that we have the team in place to grow the business significantly and to operate at that larger size. I would like to take this opportunity to congratulate and thank our team for their hard-work and success over the last year.

We have entered the new financial year in a good position and with a sense of cautious optimism.

Isabel Napper, who has been an independent non-executive director since prior to the IPO in 2021 and who was both instrumental in helping us through that process and influential on the Board since, has decided that she will not stand for re-election at the forthcoming AGM. I would like to thank her for her counsel over the last three years. We are in an active process to replace Isabel and anticipate making an announcement in due course.

Shareholder engagement

I would like to thank investors for their support over the last twelve months. The UK small cap market remains a challenging one for both companies and investors. Skillcast has become a member of the Quoted Companies Alliance and intends to work with them to lobby for the structural and regulatory changes that are needed to restore efficiency to the market.

We have enjoyed meeting with investors over the last twelve months at both formal meetings and various investor conferences and events. The main topics discussed with investors over the last 12 months include how the Company is applying Artificial Intelligence technology, which is addressed later in this report. In addition, investors were interested in the potential uses of the Company's surplus net cash, including possible acquisition activity and its dividend policy, all of which are addressed in this report. We welcome the opportunity to speak with existing and prospective investors and look forward to welcoming shareholders to our AGM on 25 June.

Current trading and outlook

We have entered the new financial year in a good financial and operational position. Our recent product enhancements and new go-to-market strategy have increased enquiry levels from potential customers, which we are working to convert into additional subscription revenues. Professional services activity remains challenging due to on-going delays in corporate decision-making.

Since the period-end, the ARR from subscriptions has continued to increase on the prior year. As of the end of Q1, our ARR was £10.0 million, up 36% from twelve months ago (March 2023 ARR: £7.3 million). The Board remains confident of meeting market expectations for the year ahead, of returning to profitability, and of delivering on its longer-term strategic plan to achieve its stated vision.

Richard Amos | Non-Executive Chairman
24 April 2024

CEO's Review

I am pleased to present Skillcast's Annual Report for 2023. It's been over two years since our IPO in December 2021 – and during this time we've completed a disciplined programme of investment in our talent, product and marketing and have achieved our revenue growth targets.

Our ARR growth was up at 37% in 2023 and in H2 2023, our SaaS subscription revenues grew faster than our costs.

However, the financials only tell a part of our story. Even more encouraging are the teams we've built at all levels, the robust procedures we've put in place for performance, financial control and governance, and the product and service improvements we've made for our customers. All of these should sustain our growth in the future.

Purpose and vision

Skillcast exists to help companies build ethical and resilient workplaces with our technology, content and service. We are a leading provider of compliance portals and digital courseware in the UK. This gives us access to a growing market with resilient demand. Our critical mass of clients gives us insights into compliance challenges and emerging needs that feed into our product development. Our experienced workforce and passion for customer service result in long-lasting relationships with clients, enabling us to innovate and drive down their compliance costs.

SaaS revenue
↑ 28%

We have strengthened our organisational structure for growth with clear and connected objectives and key results (OKRs). This framework was agreed at a Company level following a Board strategy session and is broken down into numerous smaller objectives across the organisation. Progress against the OKR framework is monitored monthly.

We prioritise developing and promoting our existing talent to build knowledge and experience within our organisation.

Our values and culture

We strive to achieve our purpose through embedding and living our four values across the organisation:

- **Innovation:** continually striving to make things better and making them happen.
- **Customer Focus:** delivering successful outcomes for our customers.
- **Teamwork:** sharing knowledge and building strong working relationships.
- **Professionalism:** taking pride in what we do, who we are and working towards our aligned goals.

On 1 January 2023, the Board appointed a Chief People Officer to the executive management team to lead on the people and culture initiatives. All employees are eligible to receive additional remuneration above their base pay linked to their performance.

All employees use Skillcast's platform and tools to read and attest to policies and receive compliance training.

During the year, the following initiatives were undertaken to promote our values and culture:

- Our executive management team held quarterly all-company virtual meetings to cascade the business strategy and performance.
- A regular in-house magazine was launched giving updates to everyone on major commercial and product initiatives and people changes and events.
- In December 2023, a staff survey was conducted to ascertain the key people issues and concerns.
- Onboarding and induction programme was put in place for new joiners.
- A risk committee chaired by the CFO with representatives from every function maintains the risk register.
- Awareness initiatives and training on cyber breaches tool place throughout the Company.

Business model

Skillcast offers innovative solutions to enable companies to digitise and automate their compliance training, record-keeping, monitoring and other processes. Digital compliance transformation aims to reduce operational costs while enhancing employees' compliance experience. By consolidating these functions onto a single platform, Skillcast streamlines operations and minimises the risk of compliance oversights, ensuring a more efficient and secure compliance framework for our clients.

We offer over 400 e-learning courses with comprehensive coverage of corporate compliance. Our Essentials and Compliance Bites libraries cover all the key topics for general compliance in the UK. Our FCA Compliance and Insurance Compliance libraries cover all the key topics in the FCA Handbook for UK financial services firms. Our Global Compliance and Global Risk libraries cater to the needs of multinational corporations that need jurisdiction-neutral, multilingual training. Our off-the-shelf courses can be customised easily to meet every client's unique needs and risk perceptions.

Our ARR growth was up at 37% in 2023 and in H2 2023, our SaaS subscription revenues grew faster than our costs.

Skillcast Portal is our technology platform, which features a Learning Management System (LMS) and various tools designed to facilitate compliance management. These tools include a Policy Hub for delivering corporate policies and gathering employee attestations, Anonymous Surveys for honest employee feedback, Staff Declarations for self-reported disclosures, Compliance Registers for documenting various compliance-related activities such as gifts & hospitality, and other features for managing and recording in-person training and events. This integrated platform ensures a uniform user and administrator experience, consolidates data by breaking down silos, and reduces the risk of compliance failures.

We offer three product plan levels for our technology: Premium, Standard and Basic. These plans are available through annual subscriptions, simplifying procurement and allowing businesses to deploy training and compliance resources on time and with minimal effort.

Skillcast Premium suits companies of all sizes that want a fully featured, branded and managed platform to transform staff compliance. This plan includes our widest set of features and brings these together under a single platform.

Skillcast Standard suits companies of all sizes that want to build their compliance platform flexibly, with full corporate branding and managed customer service. Most customers start this plan with one tool, such as our LMS, and add individual tools as their needs grow.

Skillcast Basic suits small teams and companies of up to 50 users who want a simple, self-service platform with ready-made compliance e-learning. You can set up all your employees with access to 80+ engaging compliance courses within minutes. You can monitor all activity from your admin dashboard, and users can download their completion certificates.

We further support our clients through dedicated Customer Success Managers (CSM), ensuring a seamless and effective compliance management experience. Our commitment to excellence is reflected in receiving the Feefo Platinum Trusted Service Award for the sixth consecutive year in 2023, an accolade based on genuine customer feedback and ratings.

High-quality revenues

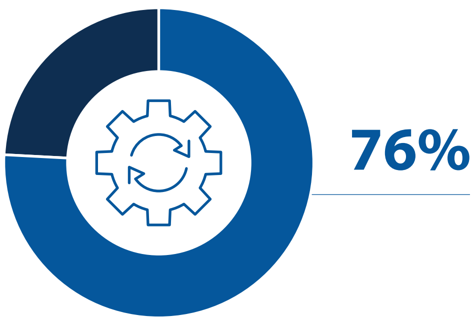
Staff compliance is a non-discretionary cost for many companies, especially in regulated sectors like financial services. This provides us with the potential to grow in even stagnant economic environments.

Subscriptions to our content and technology are the key drivers in our growth strategy. These subscriptions constitute a book of high-quality annual recurring revenues (ARR) contracts, which grew organically at 37% to £9.3 million in December 2023 (2022 growth 16% to £6.8 million in December 2022).

In 2023, 76% (2022: 68%) of our revenues came from such subscriptions, with the rest from professional services, which include bespoke e-learning development and customisation of OTS courses and was slightly lower at £2.8 million (2022: £3.1 million). Nevertheless, we remain committed to our professional services, which are critical for helping its clients make their compliance messages more relevant and engaging for their staff.

Our total revenue increased by 15% to £11.3 million (2022: £9.8 million), and an LBITDA loss of £0.6 million (2022: LBITDA of £0.3 million). After a loss-making H1 2023 due to accelerated headcount investment in the prior year, we reached breakeven in H2 2023 as our month-on-month revenue growth outstripped the growth in our cost base.

We typically enter into annual contracts for our subscriptions and invoice upfront. This gives us healthy cash flows from operations and high revenue visibility over the coming twelve months. Our free cash flow was -£0.1 million (2022: +0.3 million) despite the LBITDA loss for the year.



Revenue from subscriptions

Growth initiatives

Our key focus remains on organically growing subscription revenues, as measured by the size of our ARR book. Over the last year, we accelerated its growth rate from 16% to 37%. With such a large market, we believe the main route to this is through acquiring new customers. In addition, we aim to increase net retention through upsells from continued product development and minimal churn through maintaining excellent customer success. Although we serve customers of all sizes and in all industry segments, most of this growth came from the adoption of our Standard Plan by mid-sized companies. We see this remaining as the mainstay of our growth in 2024.

In addition, we are working on several initiatives to increase our appeal to the smallest and the largest companies. In late 2023, we launched our new Skillcast Basic offering for small companies and teams with less than 50 employees, which forms a sizable and underserved market segment. This new plan is more affordable, easy to manage, and pre-customised for industry sectors, a crucial requirement for smaller companies.

For larger companies, we will promote the concept of embedded compliance. This involves embedding direct links to training and compliance controls in business processes and communications, e.g. policy documents, emails and chat messages. Consequently, employees can access these activities directly from their business environment instead of going to a dedicated compliance portal to find and complete them. A Gartner study found that embedded controls cut staff compliance breaches by 58%.

Having completed our post-IPO investment plans for our operations, we are now open to customer and business growth opportunities through partnerships and acquisitions.

The key challenges to executing our strategy are outlined in the Risk section of this report.

ESG

Environmental, Social, and Governance (ESG) lies at the heart of the services we offer to our clients. Our mission is to foster inclusivity, sustainability, integrity, and compliance with laws and regulations in the workplace. By helping to digitise training and other processes, we further aid our clients in minimising energy usage and reducing their carbon footprint.

Having completed our post-IPO investment plans for our operations, we are now open to customer and business growth opportunities through partnerships and acquisitions.

We are also vigilant about our own environmental and social impact. Highlights of our commitment include:

- Maintaining our Carbon Neutral certification through meticulous emissions measurement and offsetting.
- Completed company-wide carbon literacy training.
- UK office energy confirmed as 100% renewable.
- Withdrew employee car parking in Malta.
- Upholding the principles of a Living Wage employer since 2019, ensuring fair compensation beyond our direct employees, and;
- Commitment to diversity, well-being and personal development in our workplace.

We are committed to generating shareholder value while helping companies meet their ESG goals and strengthening their employee compliance culture. We are convinced that our innovative spirit, customer-centric approach, collaborative effort and ambition are fundamental to realising this corporate vision.

Vivek Dodd | Chief Executive Officer
24 April 2024

Digital Compliance Transformation

Regulatory compliance is non-negotiable. Shareholders, customers, regulators and society at large require companies to comply with regulations, behave ethically and serve a social purpose.

Companies are under increasing pressure to educate employees and record, monitor, and analyse their activities to evidence compliance. This task has been made more difficult by the repeated disruptions caused by the Covid-19 pandemic and the trend towards hybrid working.

The use of technology and data analysis can enable companies to transform their staff compliance. Automated processes can reduce costs and the risk of compliance failures while delivering an improved user experience to their staff. A joined-up approach to data collection and analysis enables companies to take preventative actions and enhance their operational resilience.

Skillcast is driving this digital compliance transformation to help its customers to build ethical and resilient workplaces, reduce the likelihood of expensive regulatory breaches, and ultimately improve their bottom line and gain a competitive advantage.

Platinum Trusted Service Award 2023 feefo

STRATEGIC REPORT

Customer Success

We are passionate about customer service.

We assign a Customer Success Manager (CSM) to each client to act as their partner and ensure the success of their compliance initiatives. CSMs administer everything from user management, course assignments and communications to reporting and ensure the success of their learning initiatives. This dedicated service has resulted in glowing customer reviews on sites like Feefo, Google, Gartner and Elearningindustry.com.

Feefo, the UK's customer rating platform, has recognised Skillcast for going above and beyond to provide consistently excellent service and being dedicated to reporting customer experience as rated by real customers. In 2023, we again received their Platinum Trusted Service Award for maintaining our customer service rating over 4.9/5.0 for the third consecutive year.

In 2023, we invested in an AI tool within our Customer Success team that will enhance our clients' experience and this is being implemented in 2024.

Source: Feefo responses 2023.

SkillcastConnect

Last year, Skillcast established a community of compliance professionals called SkillcastConnect aimed at providing a peer networking platform to anyone involved in regulatory compliance management and learning.

Its membership has grown rapidly to over 5,000 Chief Compliance Officers and senior managers, many of whom have participated in our expert-led webinars, roundtables, workshops and peer networking event.

In 2023, we deepened our community engagement with an online community portal where members can contribute and access learning and compliance aids. Over 1,000 attendees attended 13 webinars, 157 attended seven internal events and we exhibited at four external events.

The SkillcastConnect community aligns with our purpose of building ethical and resilient workplaces. It helps drive awareness of the Skillcast brand and helps us better understand the compliance challenges and future needs of our community.

STRATEGIC REPORT

The Use of AI at Skillcast

Skillcast has used third-party Artificial Intelligence (AI) services for many years to improve the productivity of our personnel, reduce errors and improve time to market. We have used AI to create content and application code, check for errors, and enhance the customer service experience.

In 2023, we started developing AI features within our products, which will enhance our customers' ability to digitise their staff compliance. Examples of the tools we are creating include:

- AI-powered compliance assistant that enables users to ask questions and receive answers and links to suggested content based on the policies and training in their compliance portal.
- AI-powered course tutor embedded in our e-learning to answer users' questions and clarify their understanding.

CLIENT SPOTLIGHT

NORD/LB

Building Bite-sized Training for NORD/LB

When leading German bank NORD/LB wanted to ensure their training was engaging, relevant and enjoyable for learners, they turned to Skillcast.

Challenge

NORD/LB Norddeutsche Landesbank is one of Germany's leading commercial banks. As an institute under public law, it is part of the S-Finance Group.

Its core business segments include corporate customers, special financing in the energy and infrastructure sectors and for aircraft, financing commercial real estate via Deutsche Hypo, capital market business, association business with the savings banks and private and commercial customers, including private banking.

The bank is based in Hanover, Braunschweig and Magdeburg and has branches in Oldenburg, Hamburg, Schwerin, Düsseldorf and Munich. Outside Germany, NORD/LB is represented by a Pfandbrief bank (NORD/LB Covered Bond Bank) in Luxembourg and by branches in London, New York and Singapore.

It values compliance training to ensure regulatory compliance and reduce business risk. They regard training as positively impacting both their business and brand.

NORD/LB wanted to ensure that their training was engaging, relevant and, where possible, enjoyable for their learners.

During 2023, the London branch had a 25% increase in staff.

These new joiners tended to be younger and used to consuming content through TikTok and YouTube videos. Many hadn't worked in the industry before, so the training topics were new, whilst others came from overseas and, while familiar with financial services, were new to UK regulations.

Employees' first experience within an organisation is often their induction. Good, well-planned programs create a better first impression and help staff retention.

Solution

As a solution, NORD/LB chose Skillcast Compliance Bites. They are short microlearning videos on specific compliance issues, such as insider trading, special category data, tipping off and whistleblowing.

They bring topics to life in just a few minutes through animation, engaging characters and relatable storylines.

NORD/LB has been very creative with Compliance Bites, combining them with Skillcast's regulatory technology features by creating learning paths around topics.

One example was logging face-to-face training via Training 360, followed by Compliance Bites modules, and finishing the learning journey with reading and attesting to a related company policy.

Having the flexibility of the Compliance Bites made it much easier for NORD/LB to assign relevant training to individual learners. Across induction meetings and learning paths, they helped introduce learners to a new topic to familiarise themselves with before entering a full-length module.

Outcome

What is powerful with NORD/LB's approach is that they can now run reports for auditing purposes to evidence to auditors that offline and online training has been completed and that policies have been read and attested to.

In the year that Compliance Bites were introduced, NORD/LB was able to cover more topics for their learners. They assigned full-length modules for their most important topics, then used the Compliance Bites modules for other topics that, whilst important, they didn't want to take up too much of learners' time.

New joiners have a better experience and are eased into their training through engaging, easily understood, bite-sized modules with short assessments to test knowledge and build their confidence to progress to further training.

Following the introduction of Compliance Bites, the bank has seen increased pass rates and scores in the related full-length training modules.

Feedback

"It's been a very positive experience so far for me. The videos make it easier to follow, they're much quicker to learn, and overall, it definitely takes less time in my time.

So well done for this new format. It gets a thumbs-up from me!"

– NORD/LB Learner

"Well done for this new format. It gets a thumbs-up from me!"

– NORD/LB Learner

CLIENT SPOTLIGHT

Game-changing Training Solution for Dr. Martens

When Dr. Martens wanted a new approach to training that reflected their core values, they partnered with Skillcast to create a game-changing solution.

Challenge

The DOCtrine is Dr. Martens' Code of Conduct, a set of standards that define how Dr. Martens works as a business.

It is rooted in acting with integrity and doing the right thing – all of which is at the heart of Dr. Martens and tightly wound with their compliance program.

They wanted to create a training curriculum that brought the DOCtrine to life but also provided targeted training specific to the needs and understanding of their people.

Dr. Martens wanted to deliver content that was:

- Relevant to job roles.
- Valued employee time.
- Reflected existing knowledge.
- In a style that reflected their brand.

Within an individual course, it was possible to create individual pathways based on knowledge or job role using pre-assessment and branching.

However, Dr. Martens wanted to be more ambitious and create a diagnostic assessment that would deliver a tailored curriculum throughout the year to all staff based on their knowledge and needs.

Solution

Skillcast developed technology that would identify knowledge needs and assign content in a full curriculum rather than a single course.

The Dr. Martens DOCtrine Diagnostic was born! A solution that assessed the knowledge of the audience in all elements of the DOCtrine and then automatically assigned them to audience groups so they could complete relevant content throughout the year.

Key to the success of the Diagnostic, in addition to the groundbreaking technology, was the need to make it feel fun, like a quiz rather than an assessment, to get the tone and brand of the content aligned to the DOCtrine.

Outcome

The data from the Diagnostic allows Dr. Martens to assign targeted training over a 12-month period based on the needs of the individual. Learners who score highly in a topic get light-touch content, and the data allows Dr. Martens to delve into specific areas that are not understood to provide enhanced content.

Where they might see a high fail rate, this could be a risk area, whether that is across the business or certain regions or areas, and they can look to address this.

The tool even gives Dr. Martens the opportunity to see if there are certain questions that people struggle with.

This was really important information for their training curriculum and also going forward for their compliance training as a whole.

Feedback

"Depending on how our people answered the initial screening questions, Skillcast were able to allocate people to distinct audience groups for further, bespoke training tailored to their needs.

Importantly, they have helped to create reports, which we are then able to analyse to really look into what the results are telling us.

Simply put, the results can tell us where people have passed or failed – where they have not met the minimum requirements we have set. But we want to look further than this to get a true picture of where the business is at.

Looking towards the next training steps for people and their year 2 curriculum, we can use the initial results to identify which content we need to prioritise and to enhance as a compliance team."

– Dr. Martens

"Skillcast were able to allocate people to distinct audience groups for further, bespoke training tailored to their needs."

– Dr. Martens

CLIENT SPOTLIGHT

Seamless CPD for Commercial Express

When Commercial Express needed an FCA-focused provider that allowed for CPD tracking, they partnered with Skillcast to find an empowering solution.

Challenge

Commercial Express is a market-leading managing general agent (MGA) that places customer service at its centre. With a continued commitment to their customers and maintaining their professional standards, Commercial Express has achieved Chartered Insurance Underwriting Agents status.

Difficulty with existing systems and processes resulted in Commercial Express' need for an operational change to support their business. This shift called for:

- Improving the efficiency of Continuing Professional Development (CPD) tracking and reporting.
- Eliminating the manual consolidation of CPD data held across multiple, siloed sources.
- Access to technical support for seamless Learning Management System (LMS) use.
- Greater autonomy and flexibility with updating new course content into existing course containers.

Solution

Commercial Express chose to partner with Skillcast, using both the LMS and Training 360 tool to provide an efficient platform for their course content and seamless CPD tracking and reporting.

- Skillcast offered an understanding of the FCA environment and what was needed to meet the regulator's expectations.
- Commercial Express worked closely with the Skillcast Support Team to ensure seamless implementation of Skillcast's tracking tool and LMS.
- With the implementation of Training 360, Commercial Express could effortlessly capture CPD hours for individuals and have access to real-time data in dashboard reporting.
- By creating a process-driven experience, Skillcast was able to make evidencing CPD and tracking an efficient process free from manual error.

Outcome

Commercial Express has seen a measurable improvement in how they track CPD hours, ensuring their customers have the security of reliable data capture for their professional development.

- Manual processing has been eliminated, reducing reporting time by up to three days per report submission period.
- Automatic tracking and recording saves time and improves the accuracy of reporting.
- Dashboard reporting allows brokers' CPD activity to be viewed in one place, improving data accessibility and reporting standards.
- Ongoing technical support ensures there is no time lost in troubleshooting.
- Day-to-day operations using the LMS are simple and flexible. It allows for automatic updates to course content as and when needed.
- Seamless transition from previous systems with good user adoption and smooth project management.

Feedback

"Prior to working with Skillcast, we used inflexible systems, and our CPD tracking and reporting processes were largely manual, which cost us a lot of time. We value our customers and care about empowering their professional journey. It became clear that a change was needed to honour our commitment to maintaining high standards. We not only found an FCA-focused provider that offers ongoing support in Skillcast, but we have improved our processing and reporting standards. Training 360 has been a Godsend!"

– CE Learning Designer, Commercial Express

"Training 360 has been a Godsend!"

– CE Learning Designer, Commercial Express

Financial Review

A second successful year post-IPO with SaaS revenues growing 28% on the year and investment in overheads growing by 18% on the year. By ending the year with a 37% increase in ARR we remain well placed for a successful 2024.

Revenues for the year ended 31 December 2023 increased by 15% to £11.3 million (2022: £9.8 million), driven by new subscription customers, with ARR* climbing 37% on the year to £9.3 million (2022: £6.8 million). As a consequence of our planned investment programme, LBITDA was a loss of £0.6 million (2022: £0.3 million). Net cash at year-end of £7.2 million was 6% below last year (2022: £7.7 million), with free cash flow of -£0.1 million (2022: £0.3 million).

The growth in subscription revenues was driven by a combination of new client, product upsells/more users and lower churn.

Key Performance Indicators

Key performance indicators (KPIs) are tracked through monthly reviews against targets approved by the Board.

	2023 £'000	2022 £'000	% change
Revenue	11,302	9,830	+15%
Software-as-a-service revenue (SaaS revenue)	8,547	6,690	+28%
Gross margin	69.7%	70.1%	-0.4 pts
Overheads	8,759	7,442	+18%
(LBITDA)/EBITDA	-625	-316	n/a
*Annual recurring (SaaS) revenue (ARR) as at 31 December	9,303	6,780	+37%
Churn (as a percentage of ARR)	7%	12%	-5pts
Deferred revenue from subscriptions as at 31 December	4,276	3,213	+33%
Cash at 31 December	7,221	7,704	-6%
Free cash flow **	-82	271	n/a
Number of employees at 31 December	118	111	+6%

* and ** defined later in the financial report in Alternative performance measures section.

Revenue

Total revenues of £11.3 million were up 15% on the comparable period last year (2022: £9.8 million), driven by software-as-a-service ("SaaS") subscription revenues, predominantly from new clients. Subscription revenues typically accrue from twelve-month contracts, invoiced up front, for our compliance e-learning libraries and compliance technology. During 2023, subscription revenue growth helped grow the proportion of revenues from subscriptions to 76% (2022: 68%) of total revenues. 88% of subscription revenues were derived from our core e-learning products, with the remaining 12% of subscription revenues delivered from our suite of "Regtech" products (2022: 10%).

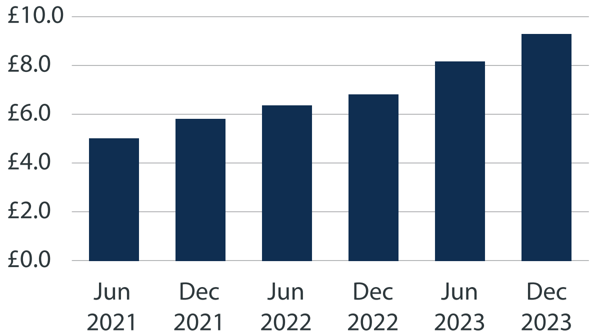
Subscription ("SaaS") revenues grew 28% to £8.5 million (2022: £6.7 million). The growth in subscription revenues was driven by a combination of new client, product upsells/more users and lower churn.

Revenue growth was supported by the launch of several new products during the year. In February 2023, we launched our FastTrack product, which, when added to our off-the-shelf ("OTS") courses, enables experienced employees to demonstrate their compliance understanding with a pre-assessment and opt for a shorter version of the course. In March 2023, we launched our Global Compliance and Global Risk courses. Compliance is generally a nationally focussed activity reflecting the rule of law. These global libraries open up the market for multinational companies, particularly in Europe, that need their courses to be based on global best practices and be available in multiple languages. In April 2023, we launched our new micro-learning Compliance Bites: a library of short, engaging videos on key compliance topics designed to improve employee retention. In October 2023, we launched our Basic Plan offer, B2B e-commerce new self-service plan to supply compliance training to small UK businesses of up to 50 employees.

We also launched our Premium Plan offer, which encompasses our whole product portfolio in a one-price wrapper.

*Annual recurring revenue (ARR), our key performance indicator to measure subscription sales progress, grew by 37% to £9.3 million over the past 12 months (December 2022: £6.8 million). New sales lifted ARR by 50% from December 2022, and a net retention rate of 105% (2022: 92%), which included 7% churn (2022: 12%). 2023 net retention was boosted by a standard 10% price rise on new business and renewals throughout the year which impacted net retention by 8.2 percentage points. Excluding price rises, net retention was 96.8% (2022: 91.5%).

ARR (£m)

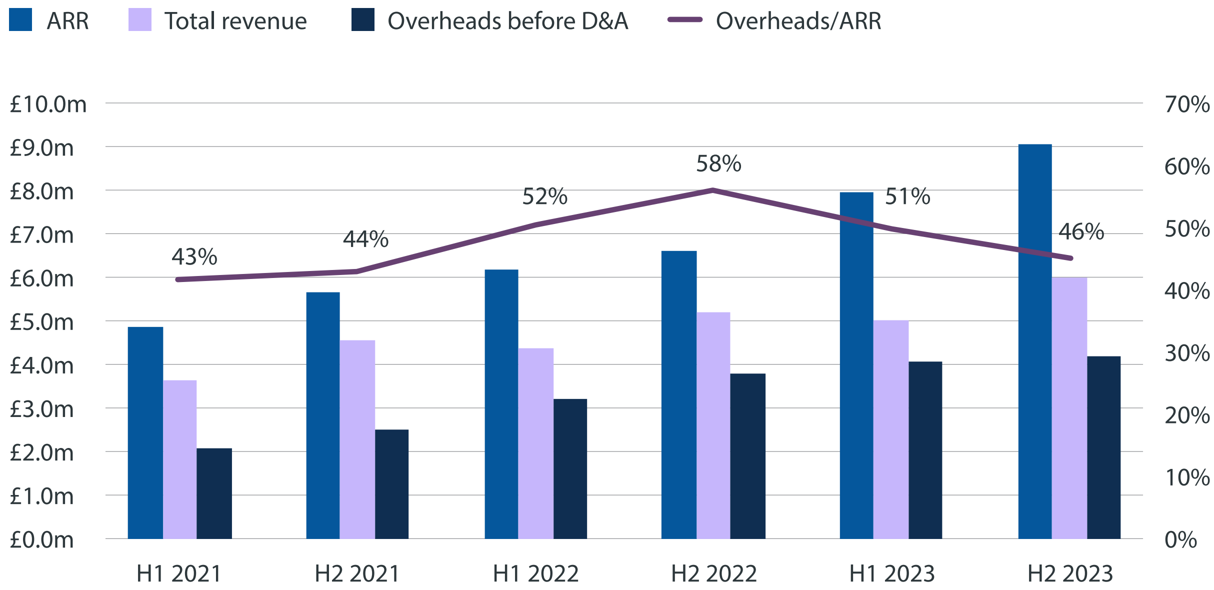


Revenue from professional services was £2.8 million, which was 12% below the same period last year (2022: £3.1million). The reduction reflected a lower average spend per client as increased economic uncertainty impacted client budgets for bespoke e-learning solutions.

Total client numbers grew to over 1,200 in 2023, with 61% of revenues coming from financial services (2022: 55%).

Gross profit

Gross Margin fell 0.4 percentage points to 69.7% (2021: 70.1%). The reduction was primarily due to the fall in the less strategic and predictable professional services revenue and a predominantly fixed cost base.



Investing for growth slows

The rate of overhead growth on the prior year reduced to 18% from 49% in the prior year (excluding IPO costs in 2021) as the planned post-IPO investment phase was predominantly completed.

In absolute terms, overheads were £8.8 million in the period, an increase of £1.3 million (2022: £2.5 million). 75% of overheads are people-related (2022: 73%) and £1.1 million of the increase in the year was from headcount increase, salary increases averaging 5% and full year employment costs from the headcount increase in the prior year. The biggest area of people investment was in the commercial team, increasing their costs by £0.7 million on the previous year. Marketing activity costs also increased in the year by 43% to £0.3 million (2022: £0.2 million).

Overheads excluding depreciation and amortisation as a percentage of ARR reduced during the year. In H2 2023, they represented 46% of ARR, 2 percentage points above H2 2021 (excluding IPO costs).

On 31 December 2023, the total headcount had increased to 118 (31 December 2022: 111). Total average headcount increased in 2023 by 15% to 115 (2022: 100). The largest area of growth was in the sales and marketing function with an average of 7 more heads during the period. Total staff costs and employee related costs increased 20% to £9.0 million (2022: £7.5 million), with average salary increases of 5% awarded in January 2023.

LBITDA

Due to the 12% reduction in non-strategic and unpredictable professional services revenues and continued increased investment, the Group delivered a loss of earnings before interest, tax, depreciation and amortisation (LBITDA) of £0.6 million in 2023 (2022: £0.3 million). This loss performance reflects the intended investment programme, supported by the fundraising in December 2021.

Interest receivable

£0.3 million of bank interest was received on cash balances during the year (2022: £0 million) as the Group benefited from the higher interest rates and putting surplus cash on deposit.

Tax

The Group reported a loss before tax of £0.7 million in the year and consequently was not liable for any corporation tax in its UK or Malta jurisdictions.

The Group had unutilised tax losses carried forward of approximately £1.3 million as of 31 December 2022 (2021: £0.7 million) due predominantly to research and development credits. These are expected to increase in 2023 through trading losses and further research and development claims. Given the varying degrees of uncertainty as to the timescale of the utilisation of these losses, the Group has not recognised the potential deferred tax assets associated with these losses.

In the prior year, a withholding tax rebate of £136,983, due to Inmarkets Group Ltd regarding dividends declared by Inmarkets International Ltd for 2021, was reflected as a tax credit in 2022. The rebate is based upon dividends declared by Inmarkets International Ltd and paid to Inmarkets Group Ltd during 2022. Its settlement depends upon all necessary tax returns filed and accepted by the relevant authorities. In the current year, no rebate is due in Inmarkets International since all the Maltese taxed retained earnings have been utilised.

A rebate of £226,846 was received in 2023 by Inmarkets Group Ltd (2022: £nil) in relation to dividends declared by Inmarkets International Ltd. The balance due to the Inmarkets Group Ltd for all Maltese tax rebates as at 31 December 2023 was £628,057 (31 December 2022: £854,903).

Earnings per share (EPS)

No ordinary shares were issued during the year. The basic loss per share was -0.733 pence on 89.5 million shares (2022: -0.460 pence).

Dividends

With a business backed by strong ARR growth supporting future recurring revenues that provide strong cash generation, the Board is committed to paying dividends. The Board is recommending a final dividend of 0.279 pence per share which, together with the 0.168 pence interim dividend paid in October 2023, gives a total dividend of 0.447 pence. The final dividend will be paid on 26 July 2024 to shareholders on the register on 5 July 2024.

The Board's policy is to at least maintain the total aggregate annual dividend of £400,000, consistent with previous years. It will review and consider a progressive dividend policy when the Group has returned to sustainable profitability.

Balance sheet and cash flow

Net assets at 31 December 2023 were £5.7 million (31 December 2022: £6.6 million). The £0.9 million reduction in the year was due to the £0.7 million reduction in comprehensive income in the year from planned investments and £0.4 million of dividend payments, partly offset by £0.1 million increase in the share option reserve.

The Group has no bank debt and at 31 December 2023, held cash of £7.2 million (31 December 2022: £7.7 million).

Non-current assets of £0.8 million at 31 December 2023 (31 December 2022: £0.9 million) reduced by a net £0.1 million as reducing office lease liabilities in accordance with IFRS 16 were partially offset by a £0.2 million office refit in Malta. The Group does not capitalise any intellectual property additions to its products' content or technology, and costs are expensed as they are incurred. The Group expenses all product and technology development.

Current assets, excluding cash, were £4.2 million at 31 December 2023 (31 December 2022: £3.3 million). This predominantly includes trade receivables, which grew 42% to £3.0 million at 31 December 2023 (31 December 2022: £2.1 million). This was slightly above the 37% growth in ARR, with a higher invoicing at the end of the year. As a consequence, debtor days at 31 December 2023 were 67 (31 December 2022: 48). Debtors more than 60 days overdue represented 14% of trade receivables at 31 December 2023 (31 December 2022: 20%). There was no increase in the allowance for expected credit losses in the year. A further £0.6 million of trade receivables is due from the Maltese tax authorities relating to withholding tax rebates on dividends declared from Inmarkets International Ltd and payable to Inmarkets Group Ltd. £0.2 million of rebates were received during the year.

Total liabilities at 31 December 2023 of £6.6 million increased by £1.3 million on the year (31 December 2022: £5.3 million). The biggest contributor to the increase was a £1.1 million increase in unrecognised revenue from subscription revenue signed contracts, representing a 33% increase on the year.

The Group has no bank debt and at 31 December 2023, held cash of £7.2 million (31 December 2022: £7.7 million). Free cash flow** during the year was -£0.1 million (2022: +£0.3 million) despite the Group generating a loss after the planned accelerated investment, primarily due to reduced trade receivables.

Alternative performance measures

The Group elects to report certain financial measures not defined or recognised under IFRS, including EBITDA see note 3 of the Group Consolidated Accounts, Annual Recurring Revenue (ARR) and Free cashflow defined below.

**** Annual Recurring Revenue (ARR)***

ARR is also used to assess the performance and the trend of subscription revenue. ARR is calculated by multiplying the Monthly Recurring Revenue ("MRR") by twelve. MRR is defined as the subscription revenue recognised in a month, excluding any retrospective upward adjustments arising at the end of the contract where there have been more subscribers than a client originally contracted for, less any contract losses (Churn) or downward adjustments arising on contract renewal. The Directors consider that the ARR, derived from software-as-a-service (SaaS) sales, is a key measure of the performance of the business. The ARR increased by 37% in the year to £9.3 million at 31 December 2023.

***** Free cash flow***

Free cash flow is calculated as net cash flows from operations less capital expenditure and lease costs.

Richard Steele | Chief Financial Officer
24 April 2024

Principal Risks

Risk management framework

The Group has established a process for identifying and managing risk within a defined governance framework. The Board has ultimate responsibility for reviewing the risks faced by the business and for assessing and determining the Group's attitude to these risks, supported by the Audit and Risk Sub-committee, which meets at least twice a year. Operational management of risk is delegated to an Executive Risk Committee, which is chaired by the CFO and includes key functional managers. The identified risks are ranked by likelihood and potential impact and listed in a master risk register. The Risk Committee develops and deploys mitigating strategies and regularly assesses the effectiveness of these initiatives. The risk management framework also includes a comprehensive list of policies. The Group uses its own "Policy Hub" product to distribute and manage employee attestations.

Risk appetite

The Group's approach to risk minimises exposure to financial and operational risk whilst accepting and recognising a risk/reward trade-off in pursuing its strategic and commercial objectives.

Given the Group's purpose of enabling companies to build ethical and resilient workplaces, integrity and compliance in our own business are crucial. Consequently, the Group has zero tolerance for risks relating to non-adherence to laws and regulations.

The Group retains client information on its software and on third party cloud services and has a low-risk appetite to any compromise to that information.

The Group operates in a growing and highly competitive marketplace with constant technology and process innovation. Therefore, it remains open to strategic investments to pursue growth objectives, accepting the risk that the anticipated benefits from these investments may not always be fully realised. The Group is open to making investment decisions in product and technological innovation, new compliance e-learning market sectors including M&A and partnership opportunities. Its acceptance of risk is subject to ensuring that potential benefits and risks are fully understood and sensible measures to mitigate risk are established.

Principal risks

The Directors believe the following risks to be the most significant for the Group. However, the risks listed do not necessarily comprise all those associated with the Group. In particular, the Group's performance may be affected by changes in the market, political or economic conditions and legal, regulatory and tax requirements.

If any of the following risks were to materialise, the Group's business, financial condition, results, or future operations could be materially adversely affected. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Group.

People risks

The Group's ability to implement its growth strategy will depend partly on its ability to recruit, hire, train, manage and integrate many individuals in e-learning design, technology, sales, marketing, and customer success. The nature of the Group's business requires its employees in the technical and development teams to be highly skilled and experienced in their respective fields.

Equally, losing key management or other key personnel, particularly to competitors, could have adverse consequences. Furthermore, as the Group expands, it may need to recruit and integrate additional senior personnel in a competitive market for suitably qualified candidates. The Group may not be successful in identifying and engaging suitably qualified people or inducting them into the Group, which may impact its performance.

Mitigation

As part of the Group's investment strategy for growth, it has increased its headcount, reducing the dependency on key personnel and increasing its skill base.

The Group has entered into service agreements or letters of appointment with each of its directors and certain senior employees that provide appropriate notice periods. Equally, remuneration packages are structured to assist with staff retention. Senior managers are significant shareholders in the business, which also provides mitigation.

The Group is in part dependent upon annual customer subscription renewals to sustain and grow its revenues.

Commercial/client risks

The Group is, in part, dependent upon annual customer subscription renewals to sustain and grow its revenues. No guarantee exists that customers will continue to renew subscriptions at the rate they have done in the past. The Group relies on its long-standing relationships with several of its key clients and its high levels of customer satisfaction rather than on contractual tie-ins such as formal cancellation notice periods. However, the loss of key contracts could adversely affect the Group's overall revenues and profitability.

The Group's growth strategy also relies partly on increasing revenue from existing customers through the upsell of RegTech tools. The Group may be unsuccessful at its cross-selling efforts to convince clients about the need for staff compliance technology in their organisations or the value of running multiple staff compliance processes in a single SaaS application provided by the Group. This could impact revenue growth rates.

Mitigation

Whilst the lack of contractual ties reduces the barriers to preventing customers from leaving, we believe it makes the new customer acquisition process easier, as prospects are less worried about being tied to the subscription. Instead, the Group uses a high level of customer service as the tool to retain clients and reduce churn. We believe this to be a more sustainable approach that will bring long-term business success.

To this end, we have invested in growing our Customer Success team, whose role is to engage with the customers through their subscriptions to ensure that they do not want to terminate at the end of the period. This engagement with the customer through their contract also supports the upsell process, as it is useful in informing our understanding of what additional challenges the customer is facing that we need to address.

The Group continues to de-risk its revenue from non-repeat professional services by focussing on growing subscription revenues.

Market share & brand awareness risks

The Board is aware that the staff compliance technology market is developing rapidly and that long-term success as a major player in the market is likely to be achieved by organisations that build a strong market share and brand leadership awareness in the early stages. Failure to achieve that would hamper the Group's ability to build significant shareholder value.

Mitigation

The Group's strategy following the equity raise in December 2021 is to invest significant resources to develop this awareness, focusing on identifying and interpreting emerging trends in staff compliance, engaging with the community of compliance officers, and sharing best practices and its content marketing efforts. The Group is also investing in its product development to ensure its offering remains relevant to the market requirements. In January 2024, the Group employed a Head of Marketing to further develop our market share and brand awareness.

Competition risks

The demand for the Group's products and services will likely depend on the continued evolution in technology and content to satisfy changing industry standards, customer needs, and competition. The market for e-learning and staff compliance management solutions is highly fragmented, and as such, there may be competitors and services of which the Group is currently unaware. The Group's current and potential competitors may develop and produce new products or services of a higher quality or lower price.

If the Group is unable to anticipate changes in technology standards, the emergence of new standards, trends in customer requirements or fails to invest and develop software, it may have an adverse impact on the Group's business and prospects.

Mitigation

The Group has a proven track record of client retention and acquisition based on its strong links with customers, which it continues to invest in strongly to maintain. Significant investment in software and content will be required to meet customer demands and keep up with the trends and new standards. The Group monitors its customer churn rate closely and identifies competitor insight wherever possible. The Group is currently expanding its technical department to meet such requirements.

Technology risks

The Group's software is complex. As with any such technology, it may contain defects or vulnerabilities that may surface in the future and make the Group and its customers vulnerable to adverse performance or IT security failures.

The Group currently hosts, serves, and backs up its SaaS technology using third-party data centres. Furthermore, the Group uses Microsoft and other SaaS providers for its internal operations. The Group's operations depend on the ability of these third-party providers to protect their facilities and services against damage or interruptions and would be impacted if this failed to happen.

The Group's SaaS application incorporates open-source software and may include additional open-source software in the future. Open-source software is generally freely accessible, usable, and modifiable. However, if an author or third party that distributes the open-source software were to allege that the Group had not complied with the conditions of use of such software, the Group could incur significant legal expenses defending against such allegations. This could result in substantial damages and business disruption and require additional research and development resources to change its technology.

We see Artificial Intelligence ("AI") as a disruptive force that presents significant challenges and risks with its adoption as well as benefits. We may be unable to leverage AI in our platform as fast as our competitors and may, therefore, lose our competitive advantage. Issues in using AI in our platform, including algorithmic errors, insufficient data sets and bias, may result in harm or reputational damage. Despite Skillcast's efforts to address privacy, accuracy, and bias issues found in Generative AI, clients may be wary of adopting Skillcast AI tools due to regulatory and reputational concerns.

Mitigation

These technology risks are typical for SaaS businesses such as Skillcast, and the Group is no more exposed than many similar organisations. During the year, the Group completed the migration of all the data it holds on behalf of its clients and for its internal use to cloud-based technology. This reduces reliance on third-party data centres and such facilities and allows the business to scale more readily as the growth targets are achieved.

In terms of AI, the Group is harnessing this technological development to remain competitive. Our technical teams have been using AI to develop software for some time. Recently, awareness and use have spread to other areas of the Group, including e-learning and production departments. A sharing and learning forum has been established. During the year, we invested in an AI based revenue forecasting tool to better understand our revenue pipeline and sales team performance. We also invested in an AI based customer service tool which is being implemented in 2024. This will ensure we retain industry leading customer support whilst enhancing productivity.

Information security

The Group's principal business activity is the provision of software to businesses. The Group has developed and owns all its software products and services in house. Through external cloud-based hosting providers, it holds the majority of software and associated data for its clients. The Group also adopts hybrid working and relies on its IT services to work effectively. A loss of data or cyber-attack could cause serious harm to the Group.

Mitigation

The Group employs its own Head of Cyber Security team that actively monitors the threat of cyber attacks. The Group embeds robust processes and procedures to mitigate risks from information security and is certified under ISO 27001. During 2023, the Group implemented EDR (Endpoint Detection and Response) and SASE (Secure Access Service Edge) software to reduce virus threats and enhance network security. The Group performs mock incidents and trained all employees in cyber awareness during 2023. During the year, the Group made significant progress to improve its resilience further by becoming SOC 2 compliant, which it intends to become accredited in 2024.

Intellectual property risks

The Group's ongoing success depends in part on the intellectual property it owns within its content and systems and on its ability to protect that intellectual property effectively from threats of confidentiality or piracy. Much of the Group's intellectual property is not capable of patent protection.

Equally, the Group sells subscriptions to OTS course libraries and SaaS. Its business may suffer if it is alleged or determined that its content or technology infringes the intellectual property rights of others. Responding to claims of IP infringement, regardless of merit, can be time-consuming, costly, diverting management's attention and resources, and damaging to the Group's reputation.

Mitigation

The Group relies on copyrights, trademarks, trade secrets and contractual restrictions to establish and protect its intellectual property rights in its products and services.

The Group has implemented procedures to ensure that necessary approvals are in place before any content is published and technology designed.

Brand reputation

The Group's vision is to help clients build ethical and inclusive workplaces. Any compliance breach could call into question its fitness to provide its products and services.

Mitigation

The Group maintains a zero-tolerant approach to non-adherence to laws and regulations, which is communicated and reinforced to all employees. The Group prides itself on customer service surveys to clients and end employees annually. The Group relies on a combination of copyrights, trademarks, trade secrets and contractual restrictions to establish and protect its intellectual property rights in its products and services.

The Group has implemented procedures to ensure that necessary approvals are in place before any content is published and technology is designed.

Law and regulatory risk

The Group is exposed to legal and regulatory changes, customer requirements and preferences trends, and the emergence of new industry standards and practices. The Group's success requires it to continue updating and improving its products and services and develop new products and services in response to legislation, regulation, and standards changes. Although all customer contracts hold the customer responsible for the content served to their end users, there may be material inaccuracies in the Group's content that could harm customers or employees resulting in negative publicity, loss of customers and reduced business prospects.

Also, by the nature of its products and services, the Group may store its customers' sensitive data and is therefore at risk of failing to protect such data under the General Data Protection Regulation requirements in the UK and the EU ('GDPR').

Mitigation

The Group has dedicated staff and contracts with panels of industry experts responsible for understanding regulatory changes and ensuring that the Group's contents and services reflect the latest regulations. The Group has recently recruited a community champion responsible for building informal networks to improve the Company's intelligence in this area.

Economic outlook

The Russia/Ukraine war and events in Israel/Gaza have had a significant economic impact on the UK and many other economies, affecting government budgets and leading to rising cost inflation. There is a general consensus that inflation has now peaked and will start to gradually decline.

Mitigation

The Group operates in the non-discretionary regulatory compliance market. It has over 1200 clients and is diversified across many sectors. While not immune from an economic downturn, the Group believes it is well-placed to weather any downturn in revenues. It can reduce certain expenditures and has healthy cash balances and no bank debt. The Group raised its prices by 10% in 2023 and will raise by a further 7% in 2024 with no visible impact on customer churn. The Group has no debt and significant cash reserves.

Climate change

The risks around climate change include an increase in unpredictable weather patterns leading to reduced security to sustainable life on the planet.

Mitigation

The Group has an ESG sub-committee and ESG policy, which is detailed in the report and on the website.

ESG

Skillcast specialises in compliance management across Environmental Social Governance (ESG), and we aim to lead by example. Our mission is to foster inclusivity, sustainability, integrity, and compliance with laws and regulations in the workplace. We believe that the digital learning solutions we provide not only help our clients meet regulatory requirements but also aid in reducing their carbon footprint.

Environmental

Skillcast is committed to protecting the environment and we continue to work towards minimising our carbon emissions year on year. Since November 2022, we have maintained our Carbon-Neutral status by measuring and offsetting our emissions.

Our carbon footprint is 477.2 tCO_2e, which reflects an increase in our turnover, workforce, and level of reporting. Skillcast continues to be proactive in working towards achieving our goal of Net Zero status by 2045. We've amended our target following an assessment of the relevant industry targets.

We partnered with carbon accountants, Positive Planet, in 2022 and continue to work with them to refine our Science Based Target Initiative (SBTi) aligned reduction targets and implement our carbon reduction plan. Our efforts have resulted in 1845 kgs recycled and 825 KWH generated in 2023.

As part of our reduction plan, we have amended our travel policy to ensure eco-friendly business travel and have switched to 100% renewable energy tariffs. We have also established an environmental sub-committee in our London office to maintain an environmentally conscious space. Skillcast continues to be a strong proponent of recycling and achieved silver recycling status from First Mile with a 63% recycling rate, saving 3 tCO_2e.

As part of targeting our scope 3 emissions, we have initiated a supplier sustainability survey to be sent to our supply chain annually, assessing their Carbon-Neutral and Net Zero targets. Since 2010, Skillcast has consistently maintained ISO 14001 certification. This certificate is an indicator of our sustained commitment to reducing our environmental impact.

Social

We believe our innovative solutions can impact the behaviour of companies and their employees, changing the perception of compliance training. Our social purpose is to ensure we are fulfilling this mission to improve the world around us.

To gauge the value and relevance of our products in the workplace, we regularly organise client surveys to get their feedback. Our annual benchmarking survey also highlighted key themes and insightful industry trends. We are also partnered with Transparency International (UK) to combat bribery by ensuring the availability of free anti-bribery training resources.

Skillcast aim to link surveys, games and other promotions that we run to supporting causes close to our heart. In addition to monetary donations, we took the opportunity to donate office furniture and equipment to various charities after our Malta office underwent renovations.

We care about the health and well-being of our employees. Skillcast has been a Living Wage employer since 2019, ensuring our employees and those in our supply chain receive a living wage.

We have also initiated a Mental Health at work programme where trained Mental Health First Aiders are available as a touch point for staff going through emotional distress or mental health issues.

Skillcast is conscious of workplace diversity, equality and inclusion (DEI). We value having a diverse workforce [see employee diversity statistics] and aim to create an inclusive environment for staff to achieve their full potential.

Skillcast is committed to empowering our customers to achieve their ESG objectives.

Governance

Skillcast is committed to empowering our customers to achieve their ESG objectives. Corporate governance is at the core of what we do. Skillcast continues to add value to companies by helping them engage their staff to change their workplace cultures with our innovative solutions.

We aim to continuously improve information security and expand on our policies. Skillcast has outlined policies in line with our ESG priorities such as our Whistleblowing, ESG, and Sustainable Procurement policies. Our Whistleblowing policy has been approved by the Audit and Risk Committee, the ESG policy has been finalised with defined ESG objectives and our Sustainable Procurement policy sets out sustainability considerations in our supply chain.

Skillcast has taken active steps to improve our approach around the examination and disclosure of ESG issues that matter to us. We have adopted the QCA Code as guidance, which is regularly revised.

Our ESG Committee, chaired by the Chair of the Audit and Risk Committee, continues to ensure we are embedding sustainability in the business. The Committee meets to propose, discuss, and implement ESG initiatives on behalf of the Board and draws on input across the business. It is responsible for reporting on and monitoring progress on an ongoing basis.

Section 172 Statement

The directors acknowledge their duty under s.172 of the Companies Act 2006 and consider that they have, individually and together, acted in a way that, in good faith, would promote the Company's success.

This duty is for the benefit of the members as a whole, regarding the likely consequences of decisions in the long- term.

In addition, the Directors must have regard to:

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

The Group actively engages with its stakeholders to ensure we consider and respond to their interests.

As set out in the Corporate Governance Report, the Directors have met several times during the year ended 31 December 2023. Discussion topics at each meeting included review and approval of the annual budget, the Group's strategy and growth plans to measure the performance of the Group, including reviews of the monthly trading performance, reporting and KPI development, financing and capital spending, treasury management, employees and culture, Governance Regulatory requirements and risk including the impact of inflation on the Group.

The activities of the Company have been described further in the various reports from the Chairman, Chief Executive and Committee Chairs. In each case, employee impact, supplier and customer benefit and shareholder interests have weighed upon decisions made.

The Group employed an average of 115 people during the financial year ended 31 December 2023 (2022: 100). All company announcements were circulated to all staff members. Communications of note during the year included the key new product announcements, quarterly performance updates, new members of staff and retirements, cost of living one-off support payment, new procedures and governance processes.

Going concern

After making appropriate enquiries, the Directors have, when approving the financial statements, formed a judgement that there is a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

This conclusion is based on a review of the resources available to the Group, taking account of the Group's financial projections together with its available cash.

In reaching this conclusion, the Board has considered the magnitude of potential impacts resulting from uncertain future events or changes in conditions, the likelihood of their occurrence and the likely effectiveness of mitigating actions that the Directors would consider undertaking.

The Group's strategic report is set out on pages 10 to 47 of the annual report. The strategic report outlines our performance against our strategic objectives, performance and financial position, as well as our outlook for the future.

Approved by the Board and signed on its behalf by

Vivek Dodd | Chief Executive Officer
24 April 2024

Corporate Governance Report

Board of Directors

Richard Amos

Non-Executive Chairman

Richard is a Chartered Accountant who qualified with EY before moving into industry and then serving in several senior finance roles. Over 20 years, Richard served as an executive on the boards of five companies listed on the London Stock Exchange, most recently as Chief Financial Officer of Wilmington plc, Chief Financial Officer of Plant Impact plc and Group Finance Director of Anite plc. He is currently an independent non-executive director at Thruvision Group plc (AIM: THRU) and Xaar plc (LSE:XAR). Richard is a member of the Company's Audit and Risk and Remuneration committees.

Vivek Dodd

Co-founder & Chief Executive Officer

Vivek is a co-founder of Skillcast. He has been creating regulatory courses and compliance tools for over two decades. Before Skillcast, he worked as an investment banker at JP Morgan and as a finance and compliance trainer. He has a Master's degree from the Massachusetts Institute of Technology and a Bachelor's degree from the Indian Institute of Technology and has been a CFA Charterholder.

Catriona Razic

Co-founder and Chief Commercial Officer

Catriona is a co-founder of Skillcast. She has advised the Group's global clients on their compliance communication strategy for over twenty years. She leads the sales function to offer clients of all sizes Skillcast's solutions for their compliance and learning initiatives. Catriona previously worked in learning and development at Japanese securities house Nikko Securities and youth development charity Raleigh International. She holds a degree in Psychology and Economics.

Anthony Miller

Co-founder & Chief Technology Officer

Anthony is a co-founder of Skillcast. Over the last twenty years, he has led the design and development of the Group's award-winning technology products. He has worked with enterprise customers to deliver transformative training and compliance solutions tailored to their specific requirements. Anthony manages the Group's Application Development, IT Infrastructure, Product Management and Cyber Security teams. He has an Executive MBA from Cass Business School and a BSc in Economics from the London School of Economics.

Isabel Napper

Senior Independent Non-Executive Director

Isabel has over 25 years of experience advising clients in the technology and healthcare/life science areas, both public and private sector, leading on business development and managing regulatory issues, governance, risk and strategic change. Isabel was previously a Partner at the law firm Mills & Reeve LLP, where she acted as legal adviser and company secretary to several boards. She is currently a NED at Tristel plc (AIM: TSTL) and Keystone Law Group plc (AIM: KEYS). Isabel chairs the Company's remuneration committee and is a member of the Company's Audit and Risk committee. Isabel is not standing for reappointment at the AGM in June.

Richard Steele

Chief Financial Officer

Richard joined Skillcast in May 2022. He qualified as a Chartered Management Accountant. Richard has over 30 years of experience in commercial and operational finance roles in the professional services, food and retail sectors, including 15 years in board-level roles. His career started at Tate & Lyle plc, where he qualified as an accountant and worked for ten years from 1989. He was Finance Director at retailer White Stuff Limited from 2007 to 2012 and at Cook Trading Limited, the frozen ready meal retailer, from 2012 to 2018. Most recently, Richard was Chief Financial Officer of Mind Gym plc (AIM: MIND), the global provider of human capital and business improvement solutions, from its AIM admission in 2018 until the end of 2021. He is also currently a non-executive director of Laine Theatre Arts Limited, where he chairs the Audit and Risk committee.

Sally Tilleray

Independent Non-Executive Director

Sally is a qualified Chartered Institute of Management Accountants (CIMA) accountant and an experienced UK public company director. She served as Group Chief Operating Officer and Group Chief Financial Officer at Huntsworth plc, the international public relations and healthcare communications group, from 2004 to 2014. She is an experienced marketing service agency executive and has been Non-Executive Chair of digital agency UNRVLD since 2020. She has been Non-Executive Director of NAHL plc (AIM: NAH), the consumer legal-focused marketing and services business, since 2019, Senior Independent Non-Executive Director of Mind Gym plc (AIM: MIND), an international behavioural science company delivering business improvement solutions to companies across the world since 2018 and since 2023 the Senior Independent Non-Executive Director of Fadel plc (AIM: FADL) the brand compliance, rights management and royalty billing software provider. Since 2022, she has been the Senior Independent Non-Executive Director of Nominet, the official registry for all .UK domain names. Sally chairs the Company's audit committee and is a member of the Company's remuneration committee, a role she also holds at NAHL plc, Mind Gym plc and Fadel plc.

Corporate Governance Statement

This report to Shareholders sets out Skillcast's approach to corporate governance.

The Directors acknowledge the importance of high standards of corporate governance and, taking account of the Company's size, have developed its governance procedures accordingly. The Company is listed on AIM and is not required to comply with the UK Corporate Governance Code (the 'Code') provisions. However, the Directors have elected to adopt, as far as practicable, many of the provisions contained in the Code. The Company formally reports against the Quoted Companies Alliance Corporate Governance Code (the 'QCA Code'). In November 2023 the QCA published a revised code. Full details of how it complies with the revised QCA Code are available on the Company's website at **www.skillcast.com**.

Board of Directors

As at 31 December 2023, the Board comprised three Non-Executive Directors and four Executive Directors. The Board is aware that the QCA Code 2023 states that Non-Executive Directors should comprise at least half the Board and that it does not meet this recommendation. Nevertheless, the Board is satisfied that it has a suitable balance between independence on the one hand and knowledge of the Company on the other to enable it to discharge its duties and responsibilities effectively.

Details of the directors in post and their biographies are included on pages 50 and 51.

The role of the Board

The Board meets regularly and is responsible for providing effective leadership to promote the Company's long-term success and oversee its generation of shareholder value and contribution to the wider society. There is a formal list of matters reserved for the Board that may only be amended by the Board. The key responsibilities of the Board include the following:

- Setting the Company's vision and strategy.
- Ensuring the necessary financial and human resources are in place to support the implementation of the strategy.
- Maintaining the policy and decision-making process through which the strategy is implemented.
- Providing entrepreneurial leadership within a framework of good governance and risk management.
- Monitoring performance against key financial and non-financial indicators.
- Responsibility for risk management and systems of internal control.
- Setting values and standards in corporate governance matters.

Division of responsibilities

The responsibilities of both the Chairman and CEO are clearly defined and understood:

- The Non-Executive Chairman, Richard Amos, has primary responsibility for leading the Board, facilitating the effective contribution of all members and ensuring that it operates effectively in the interests of the shareholders. In addition, he maintains a strong focus on governance to ensure good practice is embedded in the day-to-day operations with good flows in communication and reporting. He maintains a regular dialogue with the CEO to ensure the business receives the support from the Board necessary to progress the strategy. Shareholders have an opportunity to engage with the Chairman and the Board at the Company's AGM.
- The Chief Executive Officer (CEO), Vivek Dodd, is responsible for the day-to-day running of the business, which includes the implementation of the strategy. He is supported by an Executive Management Committee ("EMC"), which has management responsibility for the business operations and support functions. Relevant matters are reported to the Board by the CEO and, as appropriate, the Chief Financial Officer and other EMC members.

The role of the independent Non-Executive Directors is to:

- Provide oversight and scrutiny of the performance of the Executive Directors.
- Constructively challenge to help develop and execute the agreed strategy.
- Satisfy themselves as to the integrity of the financial reporting systems and the information they provide.
- Satisfy themselves as to the robustness of the internal controls.
- Ensure that the systems of risk management are robust and defensible.
- Review corporate performance and the reporting of performance to shareholders.

Board support, meeting management and attendance

The Board and its Committees meet regularly on scheduled dates. In leading and controlling the Company, the directors are expected to attend all meetings, and their attendance for the financial year 2023 is shown below.

The Company Secretary plays a vital role in ensuring good governance and assisting the Chairman. Procedures are in place for distributing meeting agendas and reports to receive them in good time, with the appropriate information. Ahead of each Board meeting, the directors each receive reports which include updates on strategy, finance (including management accounts), operations, commercial activities, business development, technology and infrastructure, people, and legal and regulatory matters.

The directors are encouraged to maintain and develop their skills and regulation changes relevant to the performance of their roles and may have access to independent professional advice at the Company's expense, where needed.

All executive directors work on a full-time basis. Non-executive directors' time commitment will vary depending on the demands of the Company but are expected to commit at least two days per month on average.

Board committees

The Company has established an Audit and Risk Committee and a Remuneration Committee, each with formally delegated duties and responsibilities and with written terms of reference. The full Board covers the activities normally performed by a Nomination Committee.

Audit and Risk Committee

The Audit and Risk Committee comprises three Non-Executive Directors, Sally Tilleray as chair of the committee, Richard Amos and Isabel Napper. The Board is satisfied that the Committee members have recent and relevant experience. The Audit and Risk Committee will meet as often as required, which will be at least twice a year going forward.

A separate Audit and Risk Committee Report is included on pages 58 to 59.

The Committee's main functions include, among other things, reviewing the effectiveness of internal control systems and risk assessments; considering the need for an internal audit function; making recommendations to the Board about the appointment of the Company's auditors; determining in consultation with the Board as a whole the auditor's remuneration; and monitoring and reviewing the auditor's independence, objectivity, effectiveness and qualifications annually.

In addition, it monitors the integrity of the company's financial statements, including its annual and interim reports, financial results announcements and any other financial information provided to Shareholders. The Audit and Risk Committee is responsible for overseeing the Company's relationship with the external auditors as a whole and also considers the nature, scope and results of the auditors' work and reviews, and develops, recommends to the Board and implements policies on the supply of non-audit services that are to be provided by the external auditors.

The Audit Committee further focuses on compliance with legal requirements, accounting standards and the relevant provisions of the AIM Rules for Companies, ensuring that an effective system of internal financial and non-financial controls is maintained. The ultimate responsibility for reviewing and approving the annual report and accounts remains with the Board. The membership of the Audit and Risk Committee and its terms of reference will be reviewed on an annual basis. The terms of reference of the Audit and Risk Committee are available on the Company's website.

Remuneration Committee

The Remuneration Committee comprises Isabel Napper as chair of the committee, Richard Amos and Sally Tilleray.

The Remuneration Committee's main functions include, among other things, determining and agreeing with the Board on the framework or broad policy for the remuneration of the Company's Chairman and Executive Directors; approving the design of and determining targets for any performance-related pay schemes operated by the Company and approving the total annual payments made under such schemes; reviewing the design of all share incentive plans for approval by the Board and Shareholders together with determining each year whether awards will be made and, if so, the overall amount of such awards, the individual awards to Executive Directors, company secretary and other senior executives and the performance targets to be used; and determining the total individual remuneration package of the chairman, each executive director, the company secretary and other senior executives, including bonuses, incentive payments and share options or other share awards. The terms of reference of the Remuneration Committee are available on the Company's website.

The Report of the Remuneration Committee is included on pages 60 to 65.

ESG Committee

The ESG committee comprises Sally Tilleray as chair of the Committee and comprises employees of the company, including the CFO. The report of the ESG Committee is on pages 44 to 45. The terms of reference of the ESG Committee are available on the Company's website. The Committee has engaged external advisors to assist in assessing the Carbon footprint of the Company and measures to reduce it.

Attendance at meetings

All Committee and Board meetings held in the year were quorate. Eleven Board meetings were held in the year, five of which were in person and six virtually. Director's attendance during the year ended 31 December 2023 was as follows:

	Board	**Remuneration Committee**	**Audit and Risk Committee**
Number of formal meetings held	11	3	3
Richard Amos[1, 2]	11	3	3
Vivek Dodd	11	n/a	n/a
Catriona Razic	11	n/a	n/a
Anthony Miller	11	n/a	n/a
Richard Steele	11	n/a	n/a
Isabel Napper[1, 2]	11	3	3
Sally Tilleray[1, 2]	11	3	3

1 Remuneration Committee member.
2 Audit and Risk Committee member.

Board effectiveness

The Board performed an annual formal evaluation of its effectiveness shortly after the end of 2023 and reviewed the results in February 2024. The evaluation comprised a survey that each Board member completed in confidence and the results were amalgamated and presented to the Board for review. The evaluation addressed the Board composition and how it operates, its behaviours and its activities, including its sub-committees.

The Chair presented the results to the Board, summarising the results and confirming that the collective view was that the Board and its sub-committees were working effectively. In terms of Board composition and process, the outcomes included:

- That contributions at Board meetings had become more balanced.
- That the Board would benefit from a director with SaaS growth and/or sector experience in our sector.
- Succession planning of directors was a concern.
- The frequency and format of Board meetings could be reviewed to allow for more non-routine and "soft" discussions.
- The Board pack was too detailed.

Isabel Napper has stated her intention to not stand for re-appointment at the forthcoming AGM, which provides an opportunity to address the skills gap identified.

It was acknowledged that succession planning was a challenge when three of the executive directors were co-founders. The Board has addressed the key person risks and continues to delegate and document knowledge, which is becoming easier as the company grows.

In terms of Board behaviours and activities, the overriding outcome was one of satisfaction. Specific outcomes included that Board discussions to be less operational and more strategic and outward-focussed.

The Senior Independent Director separately performed a formal evaluation of the Chair of the Board and shared the outcomes with the Board, confirming a high level of satisfaction.

Board induction, training and development

When appointed, new Directors are provided with a full and tailored induction to introduce them to the business and management of the Group. Throughout their tenure, Directors are given access to the Group's operations and staff and receive updates on relevant issues as appropriate, taking into account their qualifications and experience. This allows the directors to function effectively with appropriate knowledge of the Group.

The Board is satisfied that each director has sufficient time to devote to discharging his responsibilities as a director of the Company.

Re-election of Directors

The rules on appointment, re-appointment and retirement by rotation of Directors are contained in the Articles. A Director may be appointed by Shareholders' Ordinary resolution or by the Board. The current Articles require that all Directors are subject to election at the first AGM following their appointment and after that to re-election at least every three years. However, in line with governance best practice, all Directors submit themselves for re-election at the forthcoming AGM.

Stakeholder engagement

The Board and its Committees recognise their responsibilities to shareholders and other stakeholders.

The Company communicates with shareholders through the Annual Report and Accounts, regulatory announcements, the AGM, and meetings with existing or potential new shareholders. Annual reports, other regulatory announcements, and related information are all available on the Company's website.

A list of the Company's significant shareholders can be found in the Directors' Report and in the investor section of the Company's website, updated following formal notifications of movements to the Company.

The Company maintains regular communication and dialogue with stakeholders, such as employees, customers, suppliers and regulators, to understand their needs and concerns and factor these requirements into its decisions and activities. No particular or significant challenges were experienced during the year, and there was no movement in the significant shareholder base.

Internal controls

The Board is ultimately responsible for the Group's internal control systems and for reviewing their effectiveness throughout the year. The systems are designed to manage rather than eliminate the risk of the failure to achieve the Group's strategic objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board monitors financial controls by setting and approving an annual budget and regularly reviewing the monthly management accounts. Management accounts contain a number of indicators that are designed to reduce the possibility of misstatements in the financial statements.

Key elements of the internal control system are described below:

- Clearly defined management structure and delegation of authority to Board Committees and the Executive Management Committee.
- High recruitment standards to ensure the integrity and competence of staff.
- Regular and comprehensive information provided to management, covering financial and non-financial performance indicators.

- A detailed budgeting process for the coming year for Board approval.
- Monthly monitoring and re-forecasting of annual and half-yearly results against budget, with major variances, followed up, and management action is taken where appropriate.
- Procedures for the approval of capital expenditure and investments.
- Regular review and updating of the Group risk register, including the implementation of mitigating actions.

The Board, with the assistance of the Audit and Risk Committee, has conducted its annual review of the effectiveness of the system of internal control based on a review of significant risks identified, external audits and reports from management and concluded that the system of internal control is adequate given the stage of the Group's development.

Annual General Meeting

The Company's Annual General Meeting will take place on Tuesday, 25 June 2024, at 11:00am at 80 Leadenhall Street, London, England, EC3A 3DH.

Audit and Risk Committee Report

Composition and responsibilities

The Audit & Risk Committee ("the Committee") is comprised of three Non-Executive Directors: Sally Tilleray (Chairperson), Richard Amos and Isabel Napper.

All Committee members are considered by the Board to be independent directors of the Company and to have appropriate skills and expertise to enable them to carry out their roles effectively.

All three members of the Committee have a mix of knowledge and skills gained through their experience in business, including risk management and industry sector experience. The Board agrees that at least one member of the Committee should have recent and relevant financial experience, and both Sally Tilleray and Richard Amos meet these requirements.

Only members of the Committee have the right to attend Committee meetings. The CEO and CFO are invited to attend all meetings, while other senior management may also attend by invitation as appropriate. The Committee has unrestricted access to the Group's external auditors, who are routinely invited to the meetings to discuss the planning and conclusions of their work.

The Committee meets at least twice a year, scheduled according to the timing of the Company's half-year and full-year results, with additional meetings held as required.

Activities during the year

The Committee met three times during the year, with all members of the Committee present at each meeting.

The Committee reviewed and updated its terms of reference in September 2023, which were approved by the Board and are published on the Company's website.

The Committee works on a planned programme of activities focused on key events in the annual financial reporting cycle and other matters that are included in its terms of reference. It provides oversight and guidance to contribute to the ongoing good governance of the business, particularly by assuring that shareholders' interests are being properly protected by appropriate financial management, reporting and internal controls.

Financial reporting

The Committee reviewed the half-year and annual financial statements. As part of this review, the Committee discussed the financial statements with the external auditor and management and considers the appropriateness of the accounting principles, the reasonableness of significant accounting judgements and the clarity of disclosures in the financial statements. The Committee reviewed and challenged the external auditor's report on these matters.

The Committee also considered management's assessment of going concern concerning the Group's cash position and commitments for the next 12 months.

In fulfilling its responsibility for monitoring the integrity of financial reports to shareholders, the Committee gave due consideration as to whether the Annual Report and Accounts are fair, balanced and understandable.

The coordination and review of the Group-wide input into the Annual Report and Accounts is a sizeable exercise and runs alongside the formal audit process undertaken by external Auditors. It is designed to arrive at a position where initially the Committee, and then the Board, is satisfied with the overall fairness, balance and clarity of the document and is underpinned by the following:

- Detailed guidance issued to contributors at operational levels;
- A verification process dealing with the factual content of the reports;
- Thorough review undertaken at different levels that aims to ensure consistency and overall balance; and
- Comprehensive review by the senior management team.

External auditors

The Committee oversees the relationship with the external auditors and monitors all their services and fees payable to them. The Committee considers various matters when reviewing the ongoing appointment of an external auditor, including their performance in conducting the audit and its scope and planning, terms of engagement including remuneration, and their independence and objectivity.

Crowe U.K. LLP was reappointed as external auditors at the Company's Annual General Meeting in June 2022. The Audit and Risk Committee has confirmed it is satisfied with Crowe U.K. LLP's knowledge of the Company and its effectiveness as an external auditor. As such, the Audit and Risk Committee has recommended the reappointment of Crowe U.K. LLP to the Board, and there will be a resolution to this effect at the forthcoming Annual General Meeting.

Risk management and internal controls

The Committee has oversight of the internal financial controls and risk management systems. During the year, the Committee:

- Reviewed the principal risks and the developments of the risk management framework. This included reviewing and approving the terms of reference of an executive management risk sub-committee;
- Reviewed the updated Group's Financial Position and Prospects Board Memorandum, including the delegation of authority and Group policy frameworks;
- Reviewed the Group's insurance policies;
- Considered the Group's whistleblowing policy; and
- Reviewed the requirement for an internal audit function and determined this was not deemed necessary due to the relatively small size of the Group.

Annual General Meeting

As Chair of the Committee, I will be attending the forthcoming Annual General Meeting of the Company and will be pleased to respond to shareholder questions on the Committee's activities.

Sally Tilleray | Audit & Risk Committee Chair
24 April 2024

Remuneration Report

Composition of the Remuneration Committee

The Chair of the Committee is Isabel Napper, and the other members of the Committee are Richard Amos and Sally Tilleray.

The Committee met three times during the year, and all committee members attended all the meetings.

Role of the Remuneration Committee

The Remuneration Committee's main functions include determining the policy and amount of the remuneration of the Executive Directors and other senior executives, including bonuses, incentive payments and share options. The Committee also reviews the design of all share incentive plans and the number of awards made each year.

Remuneration policy

The Group's policy aims to provide Executive Directors with a competitive market-aligned package to reward individual and Group performance and deliver outstanding shareholder returns. The Committee benchmarks packages against organisations of a similar size and in a similar sector.

The Committee is committed to ensuring that the Company's key executive team is incentivised to drive sustainable earnings growth and returns to shareholders, thereby creating a genuinely strong alignment of interests between management and investors.

Executive directors based in the UK received an employer pension contribution of 3% of their salary.

An annual bonus scheme is in place based on achieving certain performance targets each year. The Remuneration Committee decides on the appropriate measures and targets each year to align to the company objectives in that year. While the Company is currently in an investment phase, the targets are based on revenue.

A share option plan is in place for non-founder executive directors. Options vest over three or four years with the aim to reward directors on achieving the medium-term financial goals of the Company.

Remuneration of Executive Directors

During the year under review, the Executive Directors received a basic salary, a bonus, and pension fund contributions, which are set out in the table below. One company director terminated his lease on a company car during the year and the Committee approved an executive salary sacrifice scheme for electric vehicle.

In 2023, the bonus scheme included a base-level bonus, an "on target bonus" and a stretch bonus. The "on target" and stretch-level bonus targets were not met.

For 2024, the bonus scheme is a similar design and provides three levels of bonus: a base level, paid subject to the Committee's discretion, an "on target" bonus and a maximum bonus. The collective cost of the maximum bonus equates to 48% of the collective base salaries for all the Executive Directors.

In addition, Richard Steele was granted share options, further details of which are in this report.

Share awards

Awards have been made under the Enterprise Management Incentive Share Option Plan ('EMI Plan'), created at IPO in 2021, as noted above and which are detailed on page 64 of this report. Performance conditions did not apply to awards made before 31 December 2021. Non-qualifying awards are made where no other qualifying awards can be made under the EMI Plan or where awards are to be made to overseas or other ineligible employees. Awards made under the scheme are set out on page 64 of this report.

One award was made during the year to Richard Steele. On 10 May 2023, he was granted 700,000 qualifying EMI options at an exercise price of 21 pence, none of which have performance conditions and vest on the anniversary of the grant date over three years in equal instalments. In the prior year, Richard Steele was granted 360,000 on 22 June 2022 with an exercise price of 24 pence, vesting equally over 4 years. 241,200 of these options have no performance conditions. The remaining 118,800 qualifying options vest over four years in equal instalments from 31 December 2022 to 31 December 2025, subject to the Enterprise Value of the Group being equal to or greater than five times the Annualised Recurring Revenue. This performance condition was not met in 2022. The options do not lapse but are rolled forward into the following year's test.

The Remuneration Committee's main functions include determining the policy and amount of the remuneration of the Executive Directors and other senior executives.

Chris Backhouse was granted 80,000 options on 1 December 2021 at 37 pence. He resigned as a director of the Company on 11 May 2022 and ceased employment on 30 November 2022. The Committee agreed that these options would not lapse but continue to vest as if he remained in employment until 1 December 2025.

Remuneration of the Non-Executive Directors

The remuneration of the Non-Executive Directors comprises fixed fees which are set by the Board. Advice is taken on appropriate levels considering the development of the Group, market practice, time commitment and responsibility.

The Non-Executive Directors received non-qualifying share options as part of a one-off event on the flotation of the Group. It is not intended to grant any further awards. The Board believes that the amount of those awards was insignificant and therefore did not compromise the independence of the Directors.

Directors' remuneration for the year ended 31 December 2023

						Remuneration	
	Basic salary/ fees 2023 £'000	Pension 2023 £'000	Other 2023 £'000	Benefits 2023 £'000	Bonus 2023 £'000	2023 £'000	2022 £'000
Executive Directors							
Vivek Dodd *	99	0	0	0	0	99	97
Catriona Razic	126	4	0	0	90	220	204
Anthony Miller	126	4	0	0	90	220	205
Chris Backhouse ** (resigned 11 May 2022)							82
Richard Steele *** (appointed 11 May 2022)	189	6	0		28	223	146
Non-Executive Directors							
Richard Amos	76	0	0	0	0	76	72
Sally Tilleray	42	0	0	0	0	42	40
Isabel Napper	42	0	0	0	0	42	40
TOTAL	**700**	**14**	**0**	**0**	**208**	**922**	**886**

* Vivek Dodd does not receive any pension contributions, and there is no requirement for the Company to make any, as he is not resident in the UK. He also received no minimum and a smaller maximum bonus compared to the other directors as he is a significant shareholder.

** In the prior year ended 31 December 2022, Chris Backhouse resigned as a director of the Company on 11 May 2022 and ceased employment on 30 November 2022. He is a director of Enterprise FD Ltd. The Group made payments to Enterprise FD Ltd for financial director and related services of £55,190.

*** Richard Steele was appointed as a director on 11 May 2022. His base salary was set at £180,000.

Service contracts

The Executive Directors are subject to service contracts with a notice period of one year for Catriona Razic and Anthony Miller and six months for Vivek Dodd and Richard Steele. Payments on termination for Executive Directors, other than on the grounds of incapacity or circumstances justifying summary termination, are restricted to the value of any unexpired notice period and the cost of providing other contractual benefits during the unexpired notice period.

The Non-Executive Directors are appointed for a fixed period of three years and may be terminated by either party giving to the other not less than three months' notice.

Directors' share awards under the share option plan as at 31 December 2023

	At 1/1/2023	Awarded during the year	Lapsed during the year	Exercised during the year	At 31/12/2023	Grant date	Exercisable from	Exercise price
Executive								
Richard Steele*	360,000	700,000	nil	nil	1,060,000	22/6/22 and 10/5/23	22/6/23 to 22/6/26 and 10/5/23 and 10/5/26	21-24p
Former Executive								
Chris Backhouse **	80,000	nil	nil	nil	80,000	1/12/21	1/12/22 to 1/12/25	37p
Non-Executive								
Richard Amos	80,000	nil	nil	nil	80,000	1/12/21	1/12/22 to 1/12/25	37p
Sally Tilleray	50,000	nil	nil	nil	50,000	1/12/21	1/12/22 to 1/12/25	37p
Isabel Napper	50,000	nil	nil	nil	50,000	1/12/21	1/12/22 to 1/12/25	37p
TOTAL	**260,000**	**360,000**	**nil**	**nil**	**620,000**			

Awards made before 2022 under the non-qualifying plan are not subject to performance conditions.

* Richard Steele was granted 360,000 options on 22 June 2022 with an exercise price of 24 pence, vesting equally over 4 years on the anniversary of the grant date. On 10 May 2023, he was granted 700,000 options with an exercise price of 21 pence vesting equally over three years on the anniversary of the grant date.

** Chris Backhouse resigned a director on 11 May 2022 and ceased employment on 30 November 2022, and his vesting rights remain. Directors' interests in Shares.

Three Executive Directors, as founders of the business, hold a significant stake in the shares of the Company.

The interests of the Directors at the end of the year in the Share capital of the Company were as follows:

	As at 31 December 2023	As at 31 December 2022
Executive		
Vivek Dodd	52,459,459	52,459,459
Catriona Razic	4,924,324	4,924,324
Anthony Miller	7,124,324	7,124,324
Richard Steele *	56,497	nil
Non-Executive		
Richard Amos **	92,638	67,568
Sally Tilleray	54,054	54,054
Isabel Napper	54,054	54,054

* Richard Steele purchased 56,497 shares at 17.7 pence on 27 January 2023.

** Richard Amos purchased a further 25,070 shares at 21.95 pence on 27 February 2023 to take his beneficial interest to 92,638 shares.

Isabel Napper | Chair, Remuneration Committee
24 April 2024

Directors' Report

The Directors of Skillcast Group plc (the 'Company') present the Annual Report to Shareholders together with the audited financial statements of the Company and its subsidiaries for the year ended 31 December 2023.

Principal activities

The Company is the ultimate parent of Inmarkets Ltd, Inmarkets Group Ltd and Inmarkets International Ltd. This report and financial statements reflect the activities and transactions of the Company and consolidate the other group companies ("Group"). The Company is primarily involved in providing management services to other entities in the group. The Group is primarily involved in providing clients with staff compliance training and the ability to demonstrate compliance with various laws, regulations and standards relevant to the business.

Review of business

A full review of the Group's activities during the year, recent events and future developments are contained in the Chairman and CEO statements on pages 12 to 19.

Dividends

The Board recognises the importance of dividend distributions to shareholders, and the Company has a history of regular dividend distributions. The policy of the Board is to maintain dividend distributions at least at the level paid in recent history. The Board will consider a more progressive dividend policy when it returns to profitability.

During the year under review, the Group declared and paid an interim dividend of 0.168p per share.

At the AGM on 25 June 2024, the Board will propose a final dividend of 0.279p per share. In combination with the interim dividend, this represents a total distribution of 0.447p per share or £0.4 million, which was in line with the dividend in 2022. If approved by shareholders, the final dividend is expected to be paid on 26 July 2024 to investors on the register at 5 July 2024.

Future developments

The directors consider that the year-end financial position was satisfactory. The operating loss in the year, despite continued sales growth, was in line with the Board's investment strategy to accelerate future growth. The increase in ARR growth during the year is evidence that the strategy is working.

Financial risk management

The successful management of risk is essential to enable the Group to achieve its objectives. The ultimate responsibility for risk management rests with the directors who evaluate the Company's risks and formulate policies for identifying and managing such risks. There are a number of financial risks that could potentially impact the Group's activities, including, but not limited to, the following: credit risk, foreign currency risk, liquidity risk, etc. The Group's objective in managing such risks is the creation and protection of shareholder value. To manage and mitigate such risks, the Group employs a number of risk management tools in its day-to-day operation.

Post balance sheet events

No reportable events have occurred from 31 December 2023 to the date of this report.

Ukraine/Russia and Israel/Palestine wars

The business has no dealings in any of these countries and no clients from either country. Accordingly, it does not expect to see an impact outside of the effect of any general impact on the wider business/economic environment.

Inflation and the higher cost of living

The business operates in the compliance/non-discretionary market and is therefore relatively resilient to adverse economic conditions. To support its financial standing, the business increased prices by 10% to new customers in 2023 and saw no adverse reaction from its customers. It is increasing its prices by a further 7% in 2024. The business increased salaries to all employees in January 2024 by 5% to support cost-of-living increases.

Substantial shareholdings

As at 31 December 2023, the significant shareholdings of 3% or more in the company's existing issued share capital are:

Name	Number of shares	Shareholding (%)
Vivek Dodd*	53,099,459	59.36
Anthony Miller	7,124,324	7.96
Gurmakh Minhas	5,189,190	5.8
Catriona Razic	4,924,324	5.5
Canaccord Genuity Inc	4,244,629	4.74
Gresham House Asset Management Limited	4,244,629	4.74

* Including 640,000 Ordinary Shares held by a related party.

Isabel Napper will not be standing for re-appointment at the AGM.

Directors

Details of the directors of the Company who held office during the year and at the year-end are set out on pages 50 and 51. No new directors were appointed and no directors resigned during the year. Isabel Napper will not be standing for re-appointment at the AGM.

Directors' interests

Details of the interests in the shares of the Company of the directors holding office as at the date of this report, and their immediate families, appear in the Remuneration report.

No director had a material interest in any significant contract with the Company or any of its subsidiaries during the year. Chris Backhouse, who resigned as a director on 11 May 2022, remained a director of Enterprise FD Ltd, a company that provided services to the Group as stated in note 6 of the Group's consolidated financial statements. Procedures for dealing with directors' conflicts of interest are in place and are operating effectively.

Inmarkets Limited, a subsidiary of Skillcast plc, provided services to Thruvision plc during the year, a company Richard Amos is a non-executive director.

Directors' and Officers' indemnities and insurance

The Company maintains liability insurance for its directors and officers.

Stockbrokers

Allenby Capital was the Company's Nomad and stockbroker at the year-end. The closing share price on 31 December 2023 was 26 pence per share.

Disclosure of information to auditors

So far as each Director in office at the date of approval of this report is aware, there is no relevant audit information of which the Company's external auditor (Crowe U.K. LLP) is unaware.

Each of the Directors has taken all steps that they ought to have taken in performing their roles as Directors to exercise due care, skill and diligence in order to make themselves aware:
(i) of any relevant audit information and
(ii) to establish that the Company's external auditor is aware of such information.

For the purposes of this statement on disclosure of information to the external auditor, 'relevant audit information' is the information needed by the Company's external auditor in connection with the preparation of its report.

Auditors

Crowe U.K. LLP has expressed its willingness to continue as auditor of the Company. A resolution to re-appoint Crowe U.K. LLP as the Company's auditor will be put to the forthcoming AGM.

Approved by the Board of Directors and signed by order of the Board:

Richard Steele | Chief Financial Officer
24 April 2024

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Group and the Company financial statements in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006. 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 the Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable.
- State whether applicable UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with the legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website are the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Statement of disclosures to auditors

So far as each of the Directors at the date of approval of this report are aware;

(a) there is no relevant audit information of which the Company's auditors are unaware; and

(b) they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Forward-looking statements

This document contains certain forward-looking statements. The forward-looking statements reflect the knowledge and information available to the Company and Group during the preparation and up to the publication of this document. By their very nature, these statements depend upon circumstances and relate to events that may occur in the future and thereby involving a degree of uncertainty. Therefore, nothing in this document should be construed as a profit forecast by the Company or Group.

Approved by the Board of Directors and signed by order of the Board:

Richard Steele | Chief Financial Officer
24 April 2024

Financial Statements

Independent Auditor's Report to the members of Skillcast plc

Opinion

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

- The consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023;
- The consolidated and Company statements of financial position as at 31 December 2023;
- The consolidated and Company statements of cash flows for the year then ended 31 December 2023;
- The consolidated and Company statements of changes in equity 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 Group and Company 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 loss for the year 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 the following procedures.

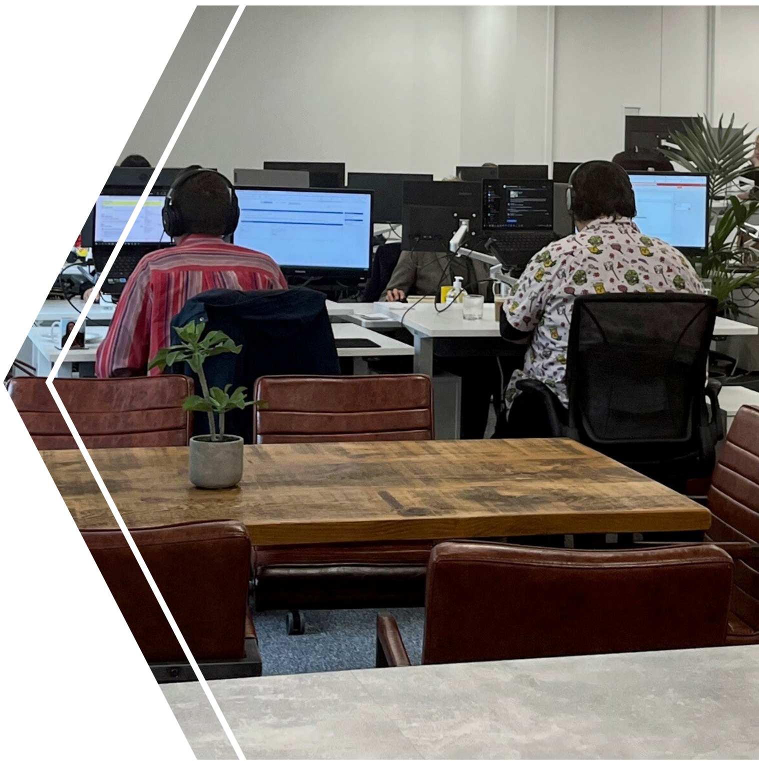
The going concern assessment period used by the Directors was at least 12 months from the date of the approval of the financial statements. We assessed the appropriateness of the approach, assumptions and arithmetic accuracy of the model used by management when performing their going concern assessment.

We evaluated the Directors' assessment of the Group and the Company's ability to continue as a going concern, including but not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the group's and parent company's ability to continue as a going concern;
- Obtaining and reviewing management's going concern assessment;
- Evaluating the directors' method to assess the group's and parent company's ability to continue as a going concern;
- Performing sensitivity analysis on the management's performance expectations;
- Evaluating the key assumptions used and judgements applied by the directors in forming their conclusions on going concern;
- Reviewed and considered potential downside scenario, which included the effect of failing to achieve the growth rate for new business targets and the resultant impact on available funds; and
- Evaluating the appropriateness of the directors' disclosures in the financial statements.

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, we determined overall materiality for the Group financial statements as a whole to be £100,000 (2022: £90,000), based on approximately 1% percent of the Group revenue. Materiality for the Parent Company financial statements as a whole was set at £20,000 (2022: £25,000) based on 5% of the Company's profit before tax. 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 £70,000 (2022: £67,500) for the group and £14,000 (2022: £18,750) 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 Committee to report to it all identified errors in excess of £5,000 (2022: £9,000). 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

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We identified two significant components, being the principal operating subsidiaries, Inmarkets Limited and Inmarkets International Limited. Our group audit strategy focused on the parent company and both of the significant components, which were subject to a full scope audit. The audit of Inmarkets International Limited was performed in Malta by a local Crowe member firm who acted as component auditors. All Group companies were within the scope of our audit testing. We interacted regularly with the component auditor across all stages of the audit and reviewed working papers and were responsible for the scope and direction of the audit process. This gave us sufficient and appropriate evidence for our opinion on the Group financial statements.

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
Revenue recognition See note 4	We assessed the revenue recognition policy against the 5-step model of IFRS 15 to assess the compliance of the accounting policy.
The Group generated revenues of £11.3m as detailed in note 4 based on the Group's revenue recognition policy. Revenue is recognised in accordance with the accounting policy as set out in the financial statements. We focus on the risk of material misstatement in revenue recognition, as a result of fraud and error, because revenue is material and is an important determinant of the group's business operations and its impact on share price performance. In applying IFRS 15 "Revenue from Customers" to the Group's contracts, particular consideration was given regarding; • The identification of the performance obligations within the contracts and the point at which performance obligations are satisfied and revenue is recorded. • The allocation of the transaction price in instances where the transaction price has to be split to include the deferred income amounts for the periods in which the performance obligations are yet to be fulfilled. Given the above, we considered this area to represent a significant audit risk and key audit matter.	We agreed a sample of revenue transactions in the year to the supporting contracts, invoices, cash receipts and other relevant sales documents. We obtained and reviewed customer orders and contracts for a sample of customers to assess the appropriateness and application of the revenue recognition policy. Specific consideration was given to the identification of the performance obligations and the time or circumstances at which they are satisfied per the agreements. We reviewed disclosures and accounting policies for compliance with IFRS 15.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

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 matters 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 the 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, 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 Group operates, focusing 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 management override risks included enquiries of management about their own identification and assessment risk of irregularities, testing a risk-based selection of journals, reviewing accounting estimates for biases, assessing the accounting treatment of non-routine transactions, corroborating amounts and balances recognised to supporting documentation on a sample basis and ensuring accounting policies are appropriate under IFRS's and applicable law.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our 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.

Leo Malkin
Senior Statutory Auditor for and on behalf of

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

24 April 2024

Consolidated Financial Statements

Skillcast Group plc – Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2023

	Note	2023 £	2022 £
Revenue	**4**	**11,301,700**	**9,830,431**
Cost of sales		**(3,429,372)**	**(2,942,092)**
Gross profit		**7,872,328**	**6,888,339**
Administrative expenses		(8,759,363)	(7,442,068)
Operating profit		**(887,035)**	**(553,729)**
Loss before interest, tax, depreciation & amortisation	**3**	**(625,325)**	**(316,314)**
Other income		–	3,013
Finance income		258,752	15,996
Finance expense		(19,680)	(21,307)
Loss before tax	**5**	**(647,963)**	**(556,027)**
Income tax	7	(7,473)	–
Income tax rebate	7	–	144,237
LOSS AFTER TAX AND TOTAL COMPREHENSIVE INCOME		**(655,436)**	**(411,790)**

Loss of earnings per share:

Basic	**18**	**(0.733)p**	**(0.460)p**

The notes on pages 84 to 111 form an integral part of the financial statements.

Skillcast Group plc – Consolidated statement of financial position

As at 31 December

	Note	2023 £	2022 £
Assets			
Non-current assets			
Property, plant and equipment	10	323,762	254,288
Right-of-use assets	11/20	459,923	616,024
Deferred tax assets	15	11,999	11,999
		795,684	**882,311**
Current assets			
Trade and other receivables	8	4,239,768	3,330,574
Cash and cash equivalents	9	7,221,681	7,704,003
		11,461,449	11,034,577
TOTAL ASSETS		**12,257,133**	**11,916,888**
Issued capital and reserves attributable to owners			
Share capital	16	89,459	89,459
Share premium		3,490,541	3,490,541
Share Option Reserve	21	355,029	223,331
Retained earnings		1,757,376	2,812,695
TOTAL EQUITY		**5,692,405**	**6,616,026**
Liabilities			
Current liabilities			
Trade and other payables	12	1,570,820	1,199,370
Contract liability	13	4,501,025	3,437,764
Current lease liabilities		118,674	188,586
Income tax payable	14	23,794	16,320
		6,214,313	**4,842,040**
Non-current liabilities			
Long-term lease liabilities	22(a)(iii)	350,415	458,822
		350,415	458,822
TOTAL LIABILITIES		**6,564,728**	**5,300,862**
TOTAL EQUITY AND LIABILITIES		**12,257,133**	**11,916,888**

The notes on pages 84 to 111 form an integral part of the financial statements.

The financial statements on pages 80 to 83 were approved and authorised for issue by the Board of Directors on 24 April 2024.

Signed on behalf of the Board of Directors by:

Vivek Dodd | Director

Skillcast Group plc – Consolidated statement of changes in equity

	Share capital £	Share Premium Paid £	Share Option Reserve £	Retained earnings £	Total equity £
01 JANUARY 2022	**89,459**	**3,490,541**	**17,000**	**3,624,369**	**7,221,369**
Comprehensive income for the period					
(Loss) for the year	–	–	–	(411,790)	(411,790)
Total comprehensive income for the period	**–**	**–**	**–**	**(411,790)**	**(411,790)**
Total contributions by and distributions to owners					
Share Option Reserve	–	–	206,331	–	206,331
Dividends – prior year				(249,592)	(249,592)
Dividends – current year	–	–	–	(150,292)	(150,292)
Total contributions by and distributions to owners	**–**	**–**	**206,331**	**(399,884)**	**(193,553)**
31 DECEMBER 2022	**89,459**	**3,490,541**	**223,331**	**2,812,695**	**6,616,026**
01 JANUARY 2023	**89,459**	**3,490,541**	**223,331**	**2,812,695**	**6,616,026**
Comprehensive Income for the period					
(Loss) for the year	–	–	–	(655,436)	(655,436)
Total comprehensive income for the period	**–**	**–**	**–**	**(655,436)**	**(655,436)**
Total contributions by and distributions to owners					
Share Option Reserve	–	–	131,698	–	131,698
Dividends – prior year				(249,591)	(249,591)
Dividends – current year	–	–	–	(150,292)	(150,292)
Total contributions by and distributions to owners	**–**	**–**	**131,698**	**(399,883)**	**(268,185)**
31 DECEMBER 2022	**89,459**	**3,490,541**	**355,029**	**1,757,376**	**5,692,405**

The notes on pages 84 to 111 form an integral part of the financial statements.

Skillcast Group plc – Consolidated statement of cash flows

For the year ended 31 December

	2023 £	2022 £
Cash flows from operating activities		
Loss before tax	(647,963)	(556,027)
Adjustments for:		
Depreciation of property, plant and equipment	105,609	88,405
Amortisation of right-of-use assets	156,101	149,010
Finance income	(258,752)	(15,996)
Share based payment	131,698	206,331
Finance expense	19,680	21,307
	(493,627)	**(106,970)**
(Increase)/decrease in trade and other receivables	(909,194)	468,249
Increase in trade and other payables, including contract liabilities	1,434,714	159,398
Cash generated from operations	**31,893**	**520,677**
Income taxes paid	–	(22,831)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**31,893**	**497,846**
Investing activities		
Purchases of property, plant and equipment	(175,084)	(65,995)
Interest received	258,752	15,996
NET CASH GENERATED/(USED) IN INVESTING ACTIVITIES	**83,668**	**(49,999)**
Financing activities		
Principal paid on lease liabilities	(178,319)	(178,779)
Dividends paid	(399,884)	(399,884)
Interest paid on lease liabilities	(19,680)	(21,307)
NET CASH (USED) IN FINANCING ACTIVITIES	**(597,883)**	**(599,970)**
Net (decrease) in cash and cash equivalents	(482,322)	(152,123)
Cash and cash equivalents at beginning of period	7,704,003	7,856,126
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**7,221,681**	**7,704,003**

The notes on pages 84 to 111 form an integral part of the financial statements.

Notes to the Consolidated Financial Statements

Skillcast Group plc
Notes to the consolidated financial statements
31 December 2023

1

General information

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

This report and financial statements reflect the consolidated activities and transactions of the Company and other group companies ('Group').

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

2.1

Basis of preparation and statement of compliance

These financial statements have been prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. They have been prepared under the historical cost convention and on a going concern basis. The financial statements are presented in Pounds Sterling, which is the Group's presentation currency.

The accounts are prepared on a going concerned basis. The group meets its day to day working capital requirements from the cash flows generated by its trading activities and its available cash resources. As at the 31st of December 2023, the group had £7.2 million of cash. The group prepares cash flow forecasts and reforecasts regularly as part of the business planning process. The directors have reviewed forecast cash flows for the forthcoming 12 months for the group from the date of the approval of the financial statements and consider that the group will have sufficient cash resources available to meet its liabilities as they fall due.

A subsidiary is defined as an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations other than the share for share acquisition of Inmarkets Group Ltd by Skillcast Group plc in 2019 are accounted for under the acquisition method and merger relief has been taken on recognising the shares issued on acquisition, where applicable.

Under the acquisition method, the results of the subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the financial statements. The cost of acquisition is measured at the aggregate of the fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Any excess of the purchase consideration of the business combination over the fair value of the identifiable assets and liabilities acquired is recognised as goodwill. Goodwill, if any, is not amortised but reviewed for impairment at least annually. If the consideration is less than the fair value of assets and liabilities acquired, the difference is recognised directly in the statement of comprehensive income. Acquisition related costs are expensed as incurred.

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Intragroup losses may indicate an impairment which may require recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

2.2

Changes in accounting policies and disclosures

The Company has adopted all of the new or amended UK adopted International Accounting Standards and Interpretations that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted for the annual reporting period ended 31 December 2023. The Company has initially assessed and concluded that they may not be material.

2.3

Summary of material accounting policies

Revenue recognition

Software as a Service (SaaS) subscriptions

The Group provides subscriptions for the right to access its content and technology products to clients for subscription periods of typically twelve months.

Revenue is recognised evenly (apportioned on a monthly basis), over the contractual period of the subscription as the client simultaneously receives and consumes the benefits of the Group's services.

The balance of the revenue, which has not been recognised at the reporting date, is deferred as a contract liability in current liabilities until it is due to be recognised as revenue.

Where a contract includes multiple performance obligations, the transaction price is allocated to each performance obligation based on the stand-alone selling prices.

Professional services

The Group provides customised and standard content to its clients provided under fixed-price contracts, which is generally non-recurring revenue.

Fixed price contracts are recognised on the percentage of completion method unless the outcome of the contract cannot be reliably determined, in which case contract revenue is only recognised to the extent of contract costs incurred that are recoverable. This is because either the Group is creating an asset with no alternative use to it and the contract contains the right to payment for work completed to date, or the client is simultaneously receiving and consuming the benefits of the Group's services as it performs.

Business development costs incurred as part of a bid or tender process are expensed as incurred. There are no material costs incurred during the period between the contract being awarded and service delivery commencing.

For fixed-price contracts, the client pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, an amount recoverable on contract assets is recognised. Conversely, if the payments exceed the services rendered, a liability is recognised.

Amounts recoverable on contracts are included in current assets and represent revenue recognised on account.

Segmentation

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-maker (which takes the form of the Board of Directors of the Group), in order to allocate resources to the segment and to assess its performance. The Directors of the Group consider the Group is organised as one business unit and all assets, liabilities, revenues and expenditure are retained and recorded as such. However, the Group does segment revenue by type of revenue, namely SaaS subscriptions and Professional Services, and on a geographic basis.

Foreign currencies

The financial statements are presented in the Company's functional currency, Pounds Sterling, being the currency of the primary economic environment in which the Group operates. Transactions denominated in currencies other than the functional currency are translated at the rates of exchange ruling on the date of transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are re-translated to the functional currency at the exchange rate ruling at year end. Exchange differences arising on the settlement and on the re-translation of monetary items are dealt with in the statement of comprehensive income. When deemed to be material these will be disclosed.

Taxes

Current and deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also dealt with in other comprehensive income or in equity, as appropriate.

Current tax is based on the taxable result for the period. The taxable result for the period differs from the result as reported in profit or loss because it excludes items which are non-assessable or disallowed and it further excludes items that are taxable or deductible in other periods. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

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.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to set off its current tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

In Malta, Inmarkets Group Ltd is able to reclaim a proportion of the corporation tax paid by its subsidiary, Inmarkets International Ltd, as long as it meets certain criteria laid down by the Maltese tax authorities. The criteria include that the relevant corporation tax has been paid by Inmarkets International Ltd and that dividends to Inmarkets Group Ltd have been declared by Inmarkets International and are payable to non-Maltese tax resident shareholders. It is Group policy to reclaim Maltese corporation tax to the fullest extent permissible and to recognise this income in Inmarkets Group Ltd based upon dividends declared, or that will be declared once tax returns are completed, for the financial year. The reclaimed corporation tax is presented as netted off with the income tax expense and in other receivables.

Property, plant and equipment

The Group's fixed assets are classified as furniture and fittings, computer hardware and software, office equipment and leasehold improvements. Property, plant and equipment is:

- Initially measured at cost. Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Expenditure on repairs and maintenance of property, plant and equipment is recognised as an expense when incurred.
- Stated at cost less any accumulated depreciation and any accumulated impairment losses.
- Derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in the profit or loss in the period of derecognition.

Depreciation

Depreciation commences when the depreciable assets are available for use and is charged to profit or loss so as to write off the cost, less any estimated residual value, over their estimated useful lives, using the straight-line method, on the following bases:

Computer hardware	25% per annum
Computer software	33% per annum
Furniture and fittings	10% per annum
Office equipment	25% per annum
Leasehold Improvements	Based upon length of Contract

The depreciation method applied, residual value and useful life, are reviewed and adjusted prospectively, if appropriate, at the end of each reporting period.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise fixed payments less any lease incentives receivable. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and are subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as financial assets at amortised cost (debt instruments).

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when the rights to receive cash flows from the asset have expired.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive.

For trade receivables, the Group reviews receivables for signs of risk of default. This review covers each receivable by client taking into account length of debt, client communications and other relevant circumstances. The risk is then determined and provisions and write offs are then recognised accordingly. The review takes place regularly and at least at the reporting date.

Impairment of non-financial assets

At the end of each reporting period, the carrying amount of assets is reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated. An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the higher of fair value less costs to sell (which is the amount obtainable from sale in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal) and value in use (which is the present value of the future cash flows expected to be derived, discounted using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset). Where the recoverable amount is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount, as calculated.

Impairment losses are recognised immediately in profit or loss. An impairment loss recognised in a prior year is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years. Impairment reversals are recognised immediately in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Employee benefits

The Group contributes towards the state pension in accordance with local legislation. The only obligation of the Group is to make the required contributions. Costs are expensed in the period in which they are incurred.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and on treasury or notice deposits. Deposits may be less than three months.

Share-based payments

Employees (including Directors and Senior Management) of the Company and its subsidiaries receive remuneration in the form of share-based payment transactions, whereby these individuals render services as consideration for equity instruments (equity-settled transactions). These individuals are granted share options rights approved by the Board which can only be settled in shares of the Company. No cash-settled awards have been made or are planned.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant individuals become fully entitled to the award (vesting point). The cumulative expense recognised for the equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments and value that will ultimately vest. The statement of comprehensive income charge for the year represents the movement in the cumulative expense recognised as at the beginning and end of that period.

The fair value of share-based remuneration is determined at the date of grant and recognised as an expense in the statement of comprehensive income on a straight-line basis over the vesting period, taking account of the estimated number of shares that will vest. The fair value is determined by use of the Black-Scholes model method.

2.4

Significant accounting judgements, estimates and assumptions

In preparing the financial statements, the directors are required to make judgements, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements. These estimates are reviewed on a regular basis and if a change is needed, it is accounted for in the period the change becomes known.

In the opinion of the directors, the accounting estimates, assumptions and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as most significant in terms of the requirements of IAS 1 (revised) 'Presentation of Financial Statements'.

Revenue judgements

The group recognises revenue on bespoke projects when a performance obligation is satisfied and accepts judgement is required. The group has developed a matrix of transaction price allocation to performance obligations to assist in applying a consistent approach to all bespoke projects. The matrix defines the stage of completion of a bespoke project and the percentage of the transaction price that should be allocated to that stage.

3

Loss before interest, tax, depreciation and amortisation (LBITDA)

	2023 £	2022 £
Operating profit	(887,035)	(553,729)
Depreciation	105,609	88,405
Amortisation	156,101	149,010
LBITDA	**(625,325)**	**(316,314)**

LBITDA is not a term recognised under IFRS and therefore the reported figures may not be comparable to other companies with similar measures.

4

Revenue

	2023 £	2022 £
Major product lines		
Software as a Service (SaaS) subscriptions (i)	8,547,389	6,689,710
Professional services (ii)	2,754,311	3,140,721
	11,301,700	**9,830,431**

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

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

Revenue (continued)

	2023 £	2022 £
Geographic split by customer		
UK	8,913,470	7,627,351
Europe	942,870	1,344,694
Rest of world	1,445,360	858,386
	11,301,700	**9,830,431**

Non-current assets in which they are based are shown below:

	2023 £	2022 £
Property, plant and equipment		
UK	175,327	197,744
Malta	148,435	56,544
	323,762	**254,288**
Right-of-use assets		
UK	255,042	365,968
Malta	204,880	250,056
	459,922	**616,024**

5

Loss before taxation

The loss before taxation is stated after charging the following amounts:

	2023 £	2022 £
Staff cost (CoS)	2,194,546	1,846,407
Subcontracted services (CoS)	785,053	797,125
Staff costs (Admin)	5,779,421	4,835,911
Directors' compensation	1,053,731	848,496
Professional fees	269,952	215,534
Depreciation and amortisation expense	261,710	237,415
Fees payable to the Company's auditor for the audit of Parent and Subsidiaries	47,133	73,870

There were no non-audit fees incurred by Crowe UK LLP in 2023 and 2022.

6

Staff costs and employee information

	2023 £	2022 £
Salaries & wages	7,847,604	6,488,702
Social security costs	873,174	718,605
Pension	124,747	102,924
Share-based payment expenses	131,698	206,331
Other payroll costs	50,475	14,252
	9,027,698	**7,530,814**

Staff costs and employee information (continued)

Number of staff

The average number of persons employed by the Group during the year was 115, and at December 2023 the number of persons employed was 118, analysed by category as follows:

	At 31 December 2023	At 31 December 2022	Average 2023	Average 2022
Directors	7	7	7	7
Administration	5	2	4	2
Client service	26	23	25	21
Operations/production	21	24	22	23
Sales & marketing	34	33	34	26
Finance	5	4	4	4
Technology	20	18	19	17
	118	**111**	**115**	**100**

Key management personnel

The remuneration of key management personnel (considered to be the Directors and Senior Management) is £1,486,336 (2022: £1,267,456) and is set out below in aggregate for each of the categories specified in IAS24: Related Party Disclosures. Compensation has been disclosed in this note, while further information can be found in the remuneration report on page 60.

	2023			2022		
	Directors £	Senior Management £	Total £	Directors £	Senior Management £	Total £
Wages and salaries	912,511	199,883	1,112,394	820,346	93,757	914,103
Social security	137,011	4,154	141,165	114,772	2,384	117,156
Pension	38,522	0	38,522	11,597	0	11,597
Share-based payment expenses	20,335	9,501	29,836	20,743	9,174	29,917
Consultancy fees	0	164,419	164,419	55,190	139,493	194,683
	1,108,379	**377,957**	**1,486,336**	**1,022,648**	**244,808**	**1,267,456**

On 1 January 2023, Sharon Mulligan joined as Chief People Officer, became a member of the Senior Management Committee and she is also a director in PsyPotential Limited. The Company made payments to PsyPotential Limited for HR and Recruitment services of £27,585 in the year ended 31 December 2023. Morten Damsleth, whose remuneration is included in Senior Management above, is the owner of Monad IKE. The Company made payments to Monad IKE for Operations Director and related services of £136,834 (2022: £139,493).

The Company made contributions to defined contribution personal pension schemes for three Directors in the period (2022: four).

7

Income tax expense

	2023 £	2022 £
Current tax on profits for the year	7,473	–
Deferred tax expense	–	(7,254)
Withholding taxes credit on intercompany dividends	–	(136,983)
	7,473	**(144,237)**

A reconciliation of the current income tax expense applicable to the profit before taxation at the statutory rate to the current income tax expensed at the effective tax rate of the Company is as follows:

	2023 £	2022 £
Profit (loss) before taxation	**(647,963)**	**(556,027)**
Tax calculated at applicable UK statutory tax rate of 23.52% (2022: 19%)	(152,401)	(105,645)
Tax effects of:		
– Expenses not deductible for tax purposes	84,732	52,481
– Taxable losses carried forward	89,002	(28,209)
– Withholding tax credit on intercompany dividends	–	(136,983)
– Research and development credits	–	–
– Differing tax rates due to trade in different jurisdictions	(6,691)	9,002
– Other adjustments	(7,169)	65,117
CURRENT INCOME TAX	**7,473**	**(144,237)**

Income tax expense (continued)

The Company provides for income taxes on the basis of its income for financial reporting purposes, adjusted for items that are not assessable or deductible for income tax purposes in accordance with the regulation of domestic tax authorities.

The effective rate of tax for the year ended 31 December 2023 was -1% (2022: -26%). This effective tax rate is a combination of the following items:

- The tax rates and tax regimes in the UK and Malta in which the businesses of the Company operate;
- The diverse tax treatments of deferred consideration amounts applied in each jurisdiction;
- The tax loss carry forward regulations in different jurisdictions.

The tax rates applicable in the jurisdictions are:

- UK: The applicable statutory tax rate for 2022/23 is 23.52%. UK statutory tax rate increased to 25% 1st April 2023.
- Malta: Income taxes are due at 35% of taxable income.

In 2023, a withholding tax rebate of £0 (2022: £136,983) is netted against the income tax expense. The rebate relates to withholding taxes on dividends declared by Inmarkets International Limited to the Inmarkets Group Limited.

In November 2023, HMRC opened an enquiry into the 2021 corporation tax research and development claim for the Group's UK subsidiary, Inmarkets Ltd. The Group, with the assistance of their tax advisors have submitted a response to HMRC and await further communication. On advice, the Group has not yet submitted a research and development claim for 2022 as it is awaiting the outcome of the enquiry.

8

Current assets – trade and other receivables

	2023 £	2022 £
Trade receivables	3,008,270	2,120,467
Less: Allowance for expected credit losses	(95,353)	(92,514)
	2,912,917	**2,027,953**

	2023 £	2022 £
Prepayments	472,379	241,651
Accrued income	157,668	146,018
Maltese withholding tax	628,057	854,903
Other receivables	68,747	60,049
	1,326,851	**1,302,621**

As of 31 December 2023, trade receivables totalled £3,008,270 (2022: £2,120,467). Within this figure £1,649,657 were not due (2022: £1,249,337) and the remaining amounts were past due. These primarily relate to customers for whom there is considered a low risk of default. An allowance of £95,353 (2022: £92,514) have been set up for specific provisions based on 50% of the outstanding debt if 60-90 days overdue, 75% of outstanding debt if over 90 days and the full 100% of the outstanding debt if the client is in receivership or administration.

During the year £226,846 of withholding tax rebates were received by the Company (2022: £0). The claim for the remaining balance is in the process of being filed and relates to withholding tax rebates post a Group restructure necessary for the IPO in December 2021. Due to an error in the original filing of the restructure, which has now been rectified, the withholding tax rebate filing was delayed. The directors believe that the value of provisions is sufficient based on the information available. The actual provisions can be higher or lower based on future expectations.

9

Current assets – cash and cash equivalents

	2023 **£**	**2022** **£**
Cash at bank	7,221,681	7,704,003
	7,221,681	**7,704,003**
Geographic split		
United Kingdom	6,644,470	4,935,131
Malta	577,211	2,768,872
	7,221,681	**7,704,003**
Cash held by currency (in pound sterling)		
Pound sterling	6,962,276	7,592,698
Euro	254,382	57,925
Czech koruna	2,326	–
US dollar	2,697	53,380
	7,221,681	**7,704,003**

10

Non-current assets – property, plant and equipment

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Computer software & hardware £	Furniture and fixtures £	Office equipment £	Leasehold improvements £	Total £
BALANCE AT 1 JANUARY 2022	**87,520**	**83,180**	**2,291**	**103,706**	**276,697**
Additions	53,452	12,064	479	–	65,995
Disposals	–	–	–	–	–
Depreciation expense	(53,644)	(12,600)	(1,420)	(20,741)	(88,405)
BALANCE AT 31 DECEMBER 2022	**87,328**	**82,644**	**1,350**	**82,965**	**254,287**
BALANCE AT 1 JANUARY 2023	**87,328**	**82,644**	**1,350**	**82,965**	**254,287**
Additions	36,825	36,358	2,418	99,483	175,084
Disposals	–	–	–	–	–
Depreciation expense	(53,869)	(16,174)	(1,288)	(34,278)	(105,609)
BALANCE AT 31 DECEMBER 2023	**70,284**	**102,828**	**2,480**	**148,170**	**323,762**
Geographic split					
United Kingdom					
BALANCE AT 1 JANUARY 2022	**28,326**	**72,174**	**797**	**103,706**	**205,003**
Additions	35,102	10,515	479	–	46,096
Disposals	–	–	–	–	–
Depreciation expense	(21,855)	(10,266)	(493)	(20,741)	(53,355)
BALANCE AT 31 DECEMBER 2022	**41,573**	**72,423**	**783**	**82,965**	**197,744**
BALANCE AT 1 JANUARY 2023	**41,573**	**72,423**	**783**	**82,965**	**197,744**
Additions	34,402	1,370	–	–	35,772
Disposals	–	–	–	–	–
Depreciation expense	(26,583)	(10,498)	(366)	(20,742)	(58,189)
BALANCE AT 31 DECEMBER 2023	**49,392**	**63,295**	**417**	**62,223**	**175,327**

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Computer software & hardware £	Furniture and fixtures £	Office equipment £	Leasehold improvements £	Total £
Geographic split					
Malta					
BALANCE AT 1 JANUARY 2022	**59,193**	**11,006**	**1,493**	–	**71,692**
Additions	18,351	1,550	–	–	19,901
Disposals	–	–	–	–	–
Depreciation expense	(31,789)	(2,334)	(927)	–	(35,050)
BALANCE AT 31 DECEMBER 2022	**45,755**	**10,222**	**566**	**–**	**56,543**
BALANCE AT 1 JANUARY 2023	**45,755**	**10,222**	**566**	**–**	**56,543**
Additions	2,423	34,988	2,418	99,483	139,312
Disposals	–	–	–	–	–
Depreciation expense	(27,286)	(5,676)	(922)	(13,536)	(47,420)
BALANCE AT 31 DECEMBER 2023	**20,892**	**39,534**	**2,062**	**85,947**	**148,435**

11

Non-current assets – right-of-use assets

Reconciliations of the written down values at the beginning and end of the current and previous financial periods are set out below:

	Leasehold property £	Car leases £	Total £
BALANCE AT 1 JANUARY 2022	**575,113**	**7,404**	**582,517**
Additions	182,516	–	182,516
Disposals	–	–	–
Amortisation expense	(146,978)	(2,031)	(149,009)
BALANCE AT 31 DECEMBER 2022	**610,651**	**5,373**	**616,024**
BALANCE AT 1 JANUARY 2023	**610,651**	**5,373**	**616,024**
Additions	–	–	–
Disposals	–	–	–
Amortisation expense	(150,728)	(5,373)	(156,101)
BALANCE AT 31 DECEMBER 2023	**459,923**	**–**	**459,923**

The Group leases its offices, typically for a period of several years, with an option to extend (see note 21). On renewal, the terms of the lease are renegotiated.

Geographic split	Leasehold property £	Car leases £	Total £
United Kingdom			
BALANCE AT 1 JANUARY 2022	**457,784**	**7,404**	**465,188**
Additions	10,459	–	10,459
Disposals	–	–	–
Depreciation expense	(107,648)	(2,031)	(109,679)
BALANCE AT 31 DECEMBER 2022	**360,595**	**5,373**	**365,968**
BALANCE AT 1 JANUARY 2023	**360,595**	**5,373**	**365,968**
Additions	–	–	–
Disposals	–	–	–
Amortisation expense	(105,552)	(5,373)	(110,925)
BALANCE AT 31 DECEMBER 2023	**255,043**	**–**	**255,043**

	Leasehold property £	Car leases £	Total £
Geographic split			
Malta			
BALANCE AT 1 JANUARY 2022	**117,329**	**–**	**117,329**
Additions	172,057	–	172,057
Disposals	–	–	–
Depreciation expense	(39,330)	–	(39,330)
BALANCE AT 31 DECEMBER 2022	**250,056**	**–**	**250,056**
BALANCE AT 1 JANUARY 2023	**250,056**	**–**	**250,056**
Additions	–	–	–
Disposals	–	–	–
Amortisation expense	(45,176)	–	(45,176)
BALANCE AT 31 DECEMBER 2023	**204,880**	**–**	**204,880**

12

Current liabilities – trade and other payables

	2023 £	2022 £
Trade payables	94,095	186,783
Accruals	794,740	550,987
Amount due to shareholders	450	450
Sales and payroll taxes	628,339	433,466
Wages & pension payable	53,196	27,684
	1,570,820	**1,199,370**

13

Current liabilities – contract liability

	Subscriptions £	Professional services £
BALANCE AT 1 JANUARY 2022	**2,695,496**	**341,688**
New contracts	7,206,947	3,024,064
Revenue recognised	(6,689,710)	(3,140,721)
BALANCE AT 31 DECEMBER 2022	**3,212,733**	**225,031**
BALANCE AT 1 JANUARY 2023	**3,212,733**	**225,031**
New contracts	9,610,826	2,754,135
Revenue recognised	(8,547,389)	(2,754,311)
BALANCE AT 31 DECEMBER 2023	**4,276,170**	**224,855**

14

Current liabilities – income tax

	2023 £	2022 £
CORPORATION TAX PAYABLE	**23,794**	**16,320**

15

Non-current liabilities – deferred tax

The deferred tax (liability)/asset for the year is analysed as follows.

	2023 £	2022 £
At beginning of the period	11,999	4,745
Credited to statement of comprehensive income	–	7,254
AT END OF THE PERIOD	**11,999**	**11,999**
Deferred tax asset		
Temporary differences – on non-current assets due to accelerated tax depreciation	11,999	11,999

16

Equity – issued capital

	2023 £	2022 £
Issued shares	89,459,460	89,459,460
Par value per share	0.10p	0.10p
TOTAL	**89,459**	**89,459**

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

17

Related party transactions

Enterprise FD Ltd.	Limited liability company registered in England and Wales. Company registration number is 11201000. Provided services to the Group. Chris Backhouse is both a director of Enterprise FD Ltd and was a member of the key management personnel of the Group up until his resignation on 11 May 2022, see note 6, and ceased employment with the Company in November 2023. No services were provided by Enterprise FD Ltd. to the Company during 2023.
Monad IKE	Limited liability company registered in Greece. Company registration number is 153449133000. Provides services to the Group. Morten Damsleth is both a director of Monad IKE and a member of the key management personnel of the Group, see note 6.
PsyPotential Ltd.	Limited liability company registered in Malta. Company registration number is C 86668. Provides services to the Group. Sharon Mulligan is both a director of PsyPotential and a member of the key management personnel of the Group, see note 6.
Thruvision Ltd.	Private Limited liability company registered in England and Wales. Company registration number is 10940081. Purchased services from the Group. Richard Amos is both a Non-Executive director of Thruvision Ltd. and a Non-Executive Director of the Group.

Related party transactions (continued)

	2023 £	2022 £
Group expenditure with Enterprise FD Ltd	–	55,190
Monad IKE	136,834	139,493
PsyPotential Ltd.	27,585	–
Outstanding payables of Group with PsyPotential Ltd.	8,971	–

18

Earnings per share

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

	2023 £	2022 £
Loss after tax	**-655,436**	**-411,790**
Non-recurring expenditure	0	0
EARNINGS	**-655,436**	**-411,790**
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (UNDILUTED)	**89,459,460**	**89,459,460**
EARNINGS PER SHARE (BASIC)	**-0.733p**	**-0.460p**

19

Dividends

	2023 – Pence per share	2023 £	2022 – Pence per share	2022 £
Dividend declared – final 2022	0.279p	249,592		
Dividend declared – interim 2023	0.168p	150,292		
Dividend declared – final 2021			0.279p	249,592
Dividend declared – interim 2022			0.168p	150,292
Dividend declared per share		0.477p		0.477p

During the period under review, the Group generated a loss before tax of -£647,963 (2022: -£556,027). A final dividend of £249,592 (0.279p) was declared and paid with regards to the year ended 2022 and £150,292 (0.168p) interim dividend was declared and paid with regards to the year ended 2023. The Group's policy is to at least maintain dividend payments.

The Board is proposing a final dividend of 0.279p per share. In combination with the interim dividend, if confirmed by the shareholders at the AGM, this will represent a total dividend for the year of £399,884 (2022: £399,884) or 0.447p per share based upon the number of shares currently in issue. If further approved by shareholders at the AGM on 25 June, the final dividend will be paid on 26 July to shareholders on the register at the close of business on 4 July.

20

Leases

The Company leases various offices and vehicles under non-cancellable leases expiring within six months to six years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

	2023 £	2022 £
Lease liabilities		
Current lease liabilities	118,674	177,499
Non-current lease liabilities	350,415	469,908
TOTAL LEASE LIABILITIES	**469,089**	**647,407**

Leases (continued)

	2023 £	2022 £
Right-of-use assets		
Properties	459,923	615,632
Motor vehicles	0	392
TOTAL RIGHT-OF-USE ASSETS	**459,923**	**616,024**

Interest expense related to the lease liabilities and depreciation related to the right-of-use assets recognised in the consolidated statement of comprehensive income for the period are shown below:

	2023 £	2022 £
Depreciation for right-of-use assets	156,101	149,009
Interest expense on lease liabilities	19,680	21,307

Properties

The Company leases office space at the following locations, all of which are operating leases:

London, UK. The lease agreement was entered into on 23 May 2021 with a break option at 36 months and an expiry date of 22 May 2026.

Mriehel, Malta. The lease agreement was entered into on 15 September 2014 with an initial three-year term which was extended an additional seven years and which would have expired on 31 December 2024. On 20 September 2022, this lease was modified. The new modified agreement has an initial three-year term with a break option at 36 months and an expiry date of 30 September 2028.

Motor vehicles

The company has one motor vehicle lease in London, UK. The lease term was for 36 months to Jan 2023.

21

Share options and warrants

Share options

The share option scheme, adopted by the Company after admission to AIM on 1 December 2021, was established to reward and incentivise the executive management team and staff for delivering share price growth. The option schemes are equity settled.

The share scheme is administered by the Remuneration Committee.

1,600,000 options were granted during 2023 (2022: 360,000) with a weighted average fair value of 4 pence (2022: 7 pence). 540,000 options lapsed during 2023 (2022: 410,000) with a weighted average fair value of 7 pence (2022: 4 pence). These fair values were based on the Company's share price at the date of grant. Out of the 5,730,000 outstanding options (2022: 4,163,000), 2,129,700 options were exercisable (2022: 1,017,500).

A charge of £131,698 (2022: £206,331) has been recognised in the consolidated statement of comprehensive income for the year relating to these options.

Options are exercisable in accordance with the contracted vesting schedules; if an employee leaves the employment of the Company prior to the options vesting, then unless otherwise agreed, the share options will lapse.

Details of the share options outstanding at the year-end are as follows:

	Number 2023	**WAEP* 2023**	**Number 2022**	**WAEP* 2022**
Outstanding at 1 January as per 2023 Reporting	4,670,000	37p	4,830,000	37p
Adjustment to 2022 Grants	-50,000	37p	-110,000	
Granted during the year	1,600,000	21p	360,000	24p
Exercised during year	–	0p	–	0p
Lapsed during year	540,000	28p	410,000	37p
Outstanding at 31 December	5,680,000	32.5p	4,670,000	37p
Thereof exercisable at 31 December	2,070,300	36p	1,017,500	37p

* Weighted average exercise price.

The weighted average remaining contractual life of the options outstanding at the statement of financial position date is 8.3 years.

Share options granted are valued under the Black-Scholes model. All options granted vest equally over 3 or 4 years. A dividend yield was assumed based on the Group's stated policy of paying £400,000 per annum. An expected volatility of 27% has been assumed has been assumed for options granted in the year (2022: 50%). Options granted in the year had an exercise price of 21 pence (2022: 24 pence). Options granted at the time of the IPO in 2021 had an exercise price equal to the IPO price of 37 pence.

22

Financial instruments

The Company's activities are exposed to a variety of risk including foreign currency, credit and liquidity risk. The Company's overall financial risk management policy focuses on minimising potential adverse effects on its financial performance. The Company does not trade in financial instruments.

The principal financial instruments used by the Company, from which financial instrument risk arises are as follows:

	2023 £	2022 £
Financial assets measured at amortised cost		
Trade and other receivables	3,767,389	3,088,923
Cash and cash equivalents	7,221,681	7,704,003
	10,989,070	**10,792,926**
Financial liabilities measured at amortised cost		
Trade and other payables and accruals	1,570,820	1,199,370
Current lease liabilities	118,674	188,586
	1,689,494	**1,387,956**

Non-current borrowings are included within section (iii), liquidity risk, below.

(a) Financial risk management policies

(ii) Market risk

The Company is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Sterling (GBP). The currency giving rise to this risk is primarily the Euro. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group maintains a natural hedge whenever possible, by matching the cash inflows (revenue stream) and cash outflows used for purposes such as capital and operational expenditure in the Euro.

The carrying amounts of the Company's financial instruments at 31 December 2023 are denominated in the following currencies:

	GBP	EUR	USD	CZK	Total
Current financial assets					
Trade and other receivables	3,590,025	165,519	11,845	0	3,767,389
Cash and cash equivalents	6,962,276	254,382	2,697	2,326	7,221,681
	10,552,301	**419,901**	**14,542**	**2,326**	**10,989,070**
Current financial liabilities measured at amortised cost					
Trade and other payables	1,612,717	-41,267	-630	0	1,570,820
Current lease liabilities	80,509	38,165	0	0	118,674
	1,693,226	**-3,102**	**-630**	**0**	**1,689,494**

The sensitivity analysis in the table below details the impact of changes in foreign exchange rates on the Company's post-tax profit or loss for the period.

If the Sterling strengthened or weakened by 10% against the currency specified in the table below, with all other variables in each case remaining constant, then the impact on the Company's post-tax profit or loss would be gains or losses as follows:

	2023 Strengthen / Weaken £	2022 Strengthen / Weaken £	2021 Strengthen / Weaken £
EUR	+/-44,050	+/-5,457	+/-50,236

(ii) Credit risk

The Company's exposure to credit risk arises mainly from trade and other receivables. The Company manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating institutions.

The expected loss rates are based on the historical payment profiles of sales and the credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information. The loss allowance is shown in Note 8.

Financial instruments (continued)

(iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages its exposure to liquidity risk by reviewing the cash resources required to meet its business objectives through both short and long-term cash flow forecasts. The Company maintains a level of cash and cash equivalents and bank facilities deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due. All current liabilities are repayable within one year.

The maturity profile of the Group's financial lease liabilities, including interest payments, based on contractual undiscounted payments are summarised below.

	Less than one year £	1-2 years £	2-3 years £	> 3 years £	Total £
Year ended 31 December 2023	131,892	190,175	71,938	93,878	487,883
Year ended 31 December 2022	186,422	122,741	174,233	61,616	545,012

(iv) Capital risk management

The aim of the Company's capital management policy is to ensure the Company's ability to continue as a going concern, maintain a strong capital base in order to provide confidence to investors and creditors, and to sustain the future development of the business.

The Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt in order to maintain the capital structure. Capital is regarded as total equity, as recognised in the statement of financial position, plus cash, less debt. Debt includes lease liabilities.

The debt-to-equity ratio of the Company as at the end of each reporting period was as follows:

	2023 £	2022 £
Total equity	5,692,405	6,616,026
Less debt: lease liability	-469,089	-647,408
CAPITAL	**5,223,316**	**5,968,618**
DEBT-TO-EQUITY RATIO	**0.08**	**0.10**

There have been no events of default on any financing arrangements during the year.

23

Financing cash flows

A reconciliation of the financing cash flow is set out below:

	2023 £	2022 £
Lease liability		
At 1 January	647,408	643,671
Additions	–	182,516
Interest expense	19,680	21,307
Lease payments	(197,999)	(200,086)
Disposal	–	
AT 31 DECEMBER	**469,089**	**647,408**
Dividend liability		
At 1 January	–	–
Dividends declared	399,884	399,884
Dividend payments	(399,884)	(399,884)
AT 31 DECEMBER	**–**	**–**
Changes to Equity		
Capital raised (Admission into AIM)	–	–
Share Option Reserve*	(131,698)	206,331
AT 31 DECEMBER	**(131,698)**	**206,331**
Net financing payments	(729,581)	(393,639)
Financing per statement of cash flows	(597,883)	(599,970)

* The difference between the Net financing payments and Financing per statement of cash flows is due to the non-cash movement of share option reserves.

A final dividend of £249,592 was declared and paid in 2023 with regards to the year ended 31 December 2022 and £150,292 interim dividend was also declared and paid for the year ended 31 December 2023.

24

Events after the reporting period

Apart from the final dividend declared as disclosed in note 19, no other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Company Financial Statements

Skillcast Group plc – Company statement of financial position

As at 31 December 2023

	Note	2023 £	2022 £
Assets			
Non-current assets			
Investment	4	409,582	74,500
Current assets			
Trade and other receivables	5	4,400,810	4,092,021
Taxes receivables	5	154,623	140,220
Cash and cash equivalents	6	30,547	
TOTAL ASSETS		**4,995,562**	**4,306,741**
Issued capital and reserves attributable to owners			
Share capital	9	89,459	89,459
Share premium		3,490,541	3,490,541
Share Options Reserve		355,029	223,331
Retained earnings		933,595	418,332
TOTAL EQUITY		**4,868,624**	**4,221,663**
Liabilities			
Current liabilities			
Trade and other payables	7	119,465	85,078
Income tax payable	8	7,473	–
TOTAL LIABILITIES		**126,938**	**85,078**
TOTAL EQUITY AND LIABILITIES		**4,995,562**	**4,306,741**

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Income Statement and Statement of Comprehensive Income.

The profit before taxes for Skillcast Group plc was £915,147 (2022: £511,412).

The notes on pages 116 to 125 form an integral part of the financial statements.

The financial statements on pages 112 to 114 were approved and authorised for issue by the Board of Directors on 24 April 2024.

Signed on behalf of the Board of Directors by:

Vivek Dodd | Director

Skillcast Group plc – Company statement of cash flows

For period ended 31 December 2023

	2023 £	2022 £
Cash flows from operating activities		
Profit before tax	922,620	511,412
Adjustments for:		
Share Option Reserve	131,698	206,331
	1,054,318	**717,743**
(Increase)/decrease in trade and other receivables	(658,274)	(308,793)
Increase/(decrease) in trade and other payables	41,860	(9,066)
Cash generated from operations	**437,904**	**399,884**
Income taxes paid	(7,473)	–
NET CASH FLOWS FROM OPERATING ACTIVITIES	**430,431**	**399,884**
Financing activities		
Ordinary shares issued	–	–
Dividends paid	(399,884)	(399,884)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	**(399,884)**	**(399,884)**
Net increase in cash and cash equivalents	30,547	–
Cash and cash equivalents at beginning of period	–	–
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**30,547**	**–**

Notes to the Company Financial Statements

Skillcast Group plc – Notes to the company financial statements 31 December 2023

1

General information

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

This report and financial statements reflect the activities and transactions of the Company.

The Company is primarily involved in providing management services to other entities in the Group.

2.1

Basis of preparation and statement of compliance

These financial statements have been prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. They have been prepared under the historical cost convention and on a going concern basis. The financial statements are presented in Pounds Sterling, which is the Group's presentation currency.

2.2

Changes in accounting policies and disclosures

The Company has adopted all of the new or amended UK adopted International Accounting Standards and Interpretations that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted for the annual reporting period ended 31 December 2023. The Company has initially assessed and concluded that they may not be material.

2.3

Summary of material accounting policies

Revenue recognition

Professional services

Revenue is recognised as the client simultaneously receives and consumes the benefits of the Company's services.

Dividend income

The company receives dividends from its subsidiaries which are recognised in the Company statement of profit and loss and other comprehensive income when the right to receive is established.

Foreign currencies

The financial statements are presented in the Company's functional currency, Pounds Sterling, being the currency of the primary economic environment in which the Group operates. Transactions denominated in currencies other than the functional currency are translated at the rates of exchange ruling on the date of transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are re-translated to the functional currency at the exchange rate ruling at year end. Exchange differences arising on the settlement and on the re-translation of monetary items are dealt with in the statement of comprehensive income. When deemed to be material these will be disclosed.

Taxes

Current tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the current tax is also dealt with in other comprehensive income or in equity, as appropriate.

Current tax is based on the taxable result for the period. The taxable result for the period differs from the result as reported in profit or loss because it excludes items which are non-assessable or disallowed and it further excludes items that are taxable or deductible in other periods. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

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.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Fixed asset investments

Fixed asset investments in Group undertakings are carried at cost less any provision for impairment.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and are subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, Inmarkets initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as follows financial assets at amortised cost (debt instruments).

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when the rights to receive cash flows from the asset have expired.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive.

Impairment of non-financial assets

At the end of each reporting period, the carrying amount of assets is reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated.

An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the higher of fair value less costs to sell (which is the amount obtainable from sale in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal) and value in use (which is the present value of the future cash flows expected to be derived, discounted using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset). Where the recoverable amount is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount, as calculated.

Impairment losses are recognised immediately in profit or loss.

An impairment loss recognised in a prior year is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years.

Impairment reversals are recognised immediately in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Share-based payments

Employees (including Directors and Senior Management) of the Company receive remuneration in the form of share-based payment transactions, whereby these individuals render services as consideration for equity instruments (equity-settled transactions). There individuals are granted share options rights approved by the Board which can only be settled in shares of the Company. No cash-settled awards have been made or are planned.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant individuals become fully entitled to the award (vesting point). The cumulative expense recognised for the equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments and value that will ultimately vest. The statement of comprehensive income charge for the year represents the movement in the cumulative expense recognised as at the beginning and end of that period.

The fair value of share-based remuneration is determined at the date of grant and recognised as an expense in the statement of comprehensive income on a straight-line basis over the vesting period, taking account of the estimated number of shares that will vest. The fair value is determined by use of the Black-Scholes model method.

2.4

Significant accounting judgements, estimates and assumptions

In preparing the financial statements, the directors are required to make judgements, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements. These estimates are reviewed on a regular basis and if a change is needed, it is accounted for in the period the change becomes known.

In the opinion of the directors, the accounting estimates, assumptions and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised) 'Presentation of Financial Statements'.

3

Administrative expenses

	2023 £	2022 £
Director's compensation	159,600	157,000
Social security costs	18,259	18,632
Other employer contributions	(203,384)	206,331
Professional fees	116,783	100,789
Auditor's remuneration	43,000	46,370
Insurance	91,150	107,473
Expenses related to AIM	87,225	84,107
Other expenses	4,747	7,886
	317,380	**728,588**

4

Investments

	2023 £	2022 £
Investment in Inmarkets Limited	304,871	72,500
Investment in Inmarkets International Limited	102,711	–
Investment in Inmarkets Group Limited	2,000	2,000
	409,582	**74,500**

5

Current assets – trade and other receivables

	2023 £	2022 £
Sundry debtors	4,400	4,400
Due from Group companies	4,328,004	4,005,779
Prepayments	68,406	81,843
Taxes receivables	154,623	140,220
	4,555,433	**4,232,241**

No impairment allowance is considered necessary for these receivables.

6

Current assets – cash and cash equivalents

	2023 £	2022 £
Cash at bank	30,547	–

7

Current liabilities – trade and other payables

	2023 £	2022 £
Trade payables	9,000	44,088
Accruals	110,015	40,540
Amount due to Shareholder	450	450
	119,465	**85,078**

8

Current liabilities – income tax

	2023 £	2022 £
CORPORATION TAX PAYABLE	**7,473**	**–**

9

Equity – issued capital

	2023 £	2022 £
Number	89,459,460	89,459,460
Par value per share	0.10p	0.10p
TOTAL	**89,459**	**89,459**

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

10

Key management personnel

The key management personnel are:

Catriona Razic	Director	(appointed 8/11/2019)
Anthony Miller	Director	(appointed 25/11/2019)
Vivek Dodd	Director and owns more than 50% of the shares in the parent company.	(appointed 25/11/2019)
Richard Steele	Director	(appointed 11/05/2022)
Richard Amos	Director	(appointed 2/8/2019)
Isabel Napper	Director	(appointed 2/8/2019)
Sally-ann Tilleray	Director	(appointed 2/8/2019)

	2023 **£**	**2022** **£**
Compensation for key management personnel	177,859	157,000

11

Related party transactions

The Group related party companies are:

Inmarkets Group Ltd	Limited liability company registered in Malta. Company registration number is C73909. Registered office is 1, Sqaq il-Għadam, Mriehel, Birkirkara BKR3000, Malta. 100% subsidiary of the Company.
Inmarkets International Ltd	Limited liability company registered in Malta. Company registration number is C39269. Registered office is 1, Sqaq il-Għadam, Mriehel, Birkirkara BKR3000, Malta. 100% subsidiary of Inmarkets Group Ltd.
Inmarkets Ltd	Limited liability company registered in England and Wales. Company registration number is 04267842. Registered office is 80 Leadenhall Street, London, EC3A 3DH, UK. 100% subsidiary of the Company.

	2023 £	2022 £
Transactions		
Revenue with Inmarkets International Ltd	120,000	120,000
Revenue with Inmarkets Ltd	120,000	120,000
Balances outstanding		
Amount due from Inmarkets International Ltd	193,556	252,000
Amount due from Inmarkets Limited Ltd	1,456,948	1,826,278
Amount due from Inmarkets Group Ltd	2,677,500	1,927,500

12

Financial instruments

The Company's activities are exposed to a variety of risk including foreign currency, credit and liquidity risk. The Company's overall financial risk management policy focuses on minimising potential adverse effects on its financial performance.

Financial risk management policies

The Company is not exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Pounds Sterling. All intercompany transactions are conducted in Pounds Sterling.

Credit risk

The Company's exposure to credit risk arises mainly from Intercompany receivables. At each reporting date, loans made to subsidiaries are reviewed to determine whether there is any indication that those assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount. Any resulting impairment loss is recognised immediately in profit or loss. For other financial assets (including cash and bank balances), the Company minimises credit risk by dealing exclusively with high credit rating institutions.

The Directors have reviewed the loans at 31 December 2023 and have concluded that there are no indicators of impairment.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Company manages its exposure to liquidity risk by reviewing the cash resources required to meet its business objectives through both short- and long-term cash flow forecasts. The Company maintains a level of cash and cash equivalents and bank facilities deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due. All current liabilities are repayable within one year.

Capital risk management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

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

The Company is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The Company has a capital risk management policy in place.

13

Events after the reporting period

Apart from the final dividend declared as disclosed in note 18 of the Group accounts, no other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Directors, Secretary and Advisers

Directors

Richard Amos	Non-Executive Chairman
Vivek Dodd	Chief Executive Officer
Catriona Razic	Chief Commercial Officer
Anthony Miller	Chief Technical Officer
Richard Edward Steele	Chief Financial Officer
Isabel Napper	Non-Executive Director
Sally-ann Tilleray	Non-Executive Director

All of whose business address is at the Company's registered office.

Company secretary

MSP Corporate Services Limited
Eastcastle House
27-28 Eastcastle Street
London
W1W 8DH

Registered office

80 Leadenhall Street
London
EC3A 3DH

Website

www.skillcast.com

Nominated adviser and broker

Allenby Capital Limited
5 St. Helen's Place
London
EC3A 6AB

Auditors

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

Solicitors to the Company

Mills & Reeve LLP
Botanic House
100 Hills Road
Cambridge
CB2 1PH

Registrars

Link Group
6th Floor
65 Gresham Street
London
EC2V 7NQ


NHS
OMNINO
dpd

Skillcast Group plc
80 Leadenhall Street
London
EC3A 3DH
United Kingdom

skillcast.com