26 April 2022

Dillistone Group Plc
("Dillistone", the "Company" or the "Group")
Final Results
& Investor Presentation

Dillistone Group Plc ("Dillistone", the “Company” or the "Group"), the AIM quoted supplier of software for the international recruitment industry, is pleased to announce its audited final results for the 12 months ended 31 December 2021.

Highlights:

- Performance ahead of expectations
    - Revenue £5.6m (2020: £6.3m)
    - Incoming orders up 18% in 2021 compared to 2020
    - EBITDA[1] £1.0m (2020: £1.2m)
    - Group returns to breakeven for the year (2020: £0.7m loss)
    - Net debt £1.0m (2020: £0.9m)
    - Cash at year end was £0.8m (2020: £1.3m)

- Recurring revenues[2] represent 89% (2020: 91%) of Group revenue
- Secured largest new Group client since the restructuring of the business in January 2020
- Continued product development expenditure supporting strong start to 2022
- Talentis showing strong momentum going into 2022

Definitions:
1. Amounts based on segment EBITDA figures – see note 5
2. The component elements of recurring revenue are detailed in note 5.

Commenting on the results and prospects, Giles Fearnley, Non-Executive Chairman, said:

“In my interim statement I highlighted that in our business, where a large part of our revenue is contracted annually in advance, the impact of Covid would be felt throughout the remainder of 2021. This proved to be the case as recurring revenue decreased by 13% to £5.0m (89% of Group revenue (2020: 91%)) however we saw an uplift in orders in Q4 to pre-pandemic levels.

“The current year has begun well following on from the strong finish to 2021. Growth in new business sales is helping us recover recurring revenue lost during the pandemic and, while we are conscious of the potential impact of ongoing economic turbulence, we are confident that the Group is well on the way to recovery, with positive signs across our entire product range and an exciting opportunity opening up with our new Talentis product.”

Investor Presentation – 1pm on Thursday 28 April 2022
Jason Starr, Chief Executive, and Joanne Curd, Chief Financial Officer, will hold a remote presentation at 1pm on Thursday 28 April 2022 to review the results and introduce the Talentis executive search platform, Dillistone’s latest software release. Those interested in attending should register at https://register.gotowebinar.com/register/9054920680771381264 or enquire at Dillistone@walbrookpr.com, or 0797 122 1972.

Annual Report and Accounts - The final results announcement can be downloaded from the Company's website (www.dillistonegroup.com). Copies of the Annual Report and Accounts (in addition to the notice of the Annual General Meeting) will be sent to shareholders by 20 May 2022 for approval at the Annual General Meeting to be held on 15 June 2022.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

Enquiries:

Dillistone Group Plc		
Giles Fearnley	Chairman	Via Walbrook PR
Jason Starr	Chief Executive Officer	
Joanne Curd	Chief Financial Officer	
WH Ireland Limited (Nominated adviser)		
Chris Fielding	Managing Director, Corporate Finance	020 7220 1650
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Notes to Editors:

Dillistone Group Plc is a leader in the supply and support of software and services to the recruitment industry. Dillistone operates through the Ikiru People (www.IkiruPeople.com) brand.

The Group develops, markets and supports the Talentis, FileFinder, Infinity, Mid-Office, ISV and GatedTalent products.

Dillistone was admitted to AIM, a market operated by the London Stock Exchange plc, in June 2006.

Learn about our products:

Talentis Software:	https://www.talentis.global/recruitment-software/
Voyager Software:	https://www.voyagersoftware.com
GatedTalent Services:	https://www.talentis.global/optimization-services/

CHAIRMAN'S STATEMENT

After a challenging few years for the business, I am pleased to report a year of progress and improvement, along with a sense that the business is in a position to progress further in 2022.

In my interim statement I highlighted that in our business, where a large part of our revenue is contracted annually in advance, the impact of Covid would be felt throughout the remainder of 2021. This proved to be the case, however we saw an uplift in orders in Q4 2021 to pre-pandemic levels.

Total revenue for the year was down 12% to £5.599m, with recurring revenue falling 13% to £5.009m. There was an adjusted operating loss in 2021 of £0.140m (2020: loss £0.166m) before acquisition related and other costs. Administration costs reduced by 14% excluding acquisition related items and other costs, depreciation and amortisation. The operating loss, including reorganisation and acquisition related items, was £0.199m (2020: loss £0.821m).

We maintained our investment in product development at £0.987m (2020: £0.969m) which we view as key to the future growth of the Group. January 2021 saw the launch of Talentis (https://www.talentis.global/recruitment-software/insights/). After a slow start, Talentis is now growing rapidly and the Group is excited by the opportunity that it presents.

In June 2021 we made the final payment of the 2 year bank loan that was secured in June 2019 and the following month we commenced monthly payments on the Government CBIL loan that we secured in June 2020 and which had a 12 month grace period for capital repayments.

Dividends

The Group is not recommending a final dividend in respect of the year to 31 December 2021 (2020: nil).

Staff

I and the Board would like to pay tribute to our employees across the Group, acknowledging their commitment and contribution in facing the challenges of the last 12 months. They have risen to these challenges and continued to deliver for our clients.

Corporate governance

It is the Board's duty to ensure that the Group is managed for the long-term benefit of all stakeholders.

During the year in review, we welcomed Steve Hammond to the Group Board in January 2021 and Joanne Curd in October. Steve joined as the Chief Engineering Officer for the Group with responsibility for the development of all group products. Joanne became our Chief Financial Officer replacing Julie Pomeroy who moved to a Non-executive Director role for 12 months, enabling us to continue to benefit from her expertise. I would also like to thank Alex James who stepped down from the Board in September having contributed extensively to the business over very many years.

Details of our governance processes and my role as Chairman of the Board are included in the corporate governance section that follows the Strategic Report.

Outlook

The current year has begun well following on from the strong finish to 2021.

Compared to the same period to 31 March in 2021, Q1 2022 incoming orders are up by 41%, with all products performing broadly in line with, or better than management expectations.

Our contingency recruiting products have enjoyed a strong start, driven by increasingly strong performance by our Infinity product, which is proving to be especially successful in the UK temporary recruitment sector.

In late 2021, we announced our largest new contract win since the Group's restructuring, and we are pleased to announce that this implementation of Infinity is now live and performing well.

Our executive search products, Talentis, FileFinder and GatedTalent, have also enjoyed a strong start to the year. Talentis was launched in early 2021 and, after a slow start, started to grow rapidly in the final weeks of 2021. While recurring revenue reflects the slow start, we are pleased to report that recurring revenue associated with the product is currently doubling every three months, and is comfortably on track to maintain this into Q2 2022. Driven by Talentis sales, March 2022 was, in terms of the number of new executive search firm contract wins, the Group's best ever month, beating the previous best of March 2010. While the majority of clients are small, the Group expects this to change over time. While growing rapidly, annualised recurring Talentis revenue is currently in mid five figures.

The Group continues to operate with a much lower cost base and as revenues recover, the improved operational leverage, following the efficiencies realised, will be reflected in overall performance. The Group is trading in line with market expectations, holding £0.764m in cash as at 31 December 2021 and does not expect to raise additional funds.

Taking the above into account, the Board is optimistic for the future and will issue a further update at the time of the AGM.

Giles Fearnley
Non-Executive Chairman

CEO's Review

Dillistone Group Plc is a global leader in the supply of solutions and services to the recruitment sector worldwide, in both contingency recruitment and executive search.

Contingency Recruitment Sector:
In the contingency recruitment sector, our products are primarily, but not exclusively, used by UK recruitment agencies. Our products serving this sector are:

- ISV.Online is an online skills testing product used by both recruitment agencies and corporate recruiters and has a strong international footprint. It allows recruiters and HR professionals to test individuals using our extensive portfolio of existing tests or to create their own unique tests to meet their requirements.
- MidOffice is a comprehensive pay & bill solution that allows recruitment businesses and back office service providers to process timesheets and bridges the gap between paying workers and invoicing clients. It can be used standalone or integrated to other recruitment systems including our Infinity product.
- Infinity is an established recruitment CRM used primarily by agencies in the UK, but also with users in Asia and Australia. It enables recruitment businesses to manage prospects, clients, candidates and jobs in one place and offers deep integration to Office365 and other recruitment industry complementary solutions. It is one of the few solutions in the UK market with extensive functionality for permanent, contract and temporary jobs all in one system.

During 2021

- We continued our ongoing investment in Infinity to give users in all recruiting sectors additional benefits including: more comprehensive application programming interfaces (APIs), more features to support remote recruitment, improved security and further efficiencies in the temporary recruitment workflows.
- December 2021 saw us win our largest new Infinity client since the restructuring of the business in January 2020. The implementation has been delivered successfully in 2022.
- Mid-Office is also furthering the temporary recruitment efficiencies we've added to Infinity by taking these all the way through to the pay and bill system and into the back office.
- ISV remains in its strong market position and is used by over half of the UK's top 10 recruitment agencies. There is strong retention among key accounts with significant multiple year renewals and an increased number of new client wins.

Executive Search Sector:
Our primary products in the Executive Search sector are

- FileFinder is an established CRM product with thousands of users Worldwide.
- GatedTalent is a service that helps recruiters source candidates and candidates find jobs and;
- Talentis, our new product launched in January 2021.

During 2021 we maintained our commitment to development and product enhancement.

- FileFinder: there has been a major project to move FileFinder to a pure Cloud environment which is now live, with the majority of our users serviced from the new platform. User benefits include significant speed gains, while the Group benefits from reduced hosting cost. Costs are inflated in 2021 as the Group operated two platforms, continuing into early 2022 but at a reduced scale with only a small number of clients remaining on the older platform awaiting transfer.
- GatedTalent: extension of our service offering to include additional B2C services including interview coaching. After a slow start, GatedTalent is now cash generative and making a consistent contribution.

- Talentis is a next generation executive search / sourcing and recruiting platform, announced in January 2021, with first revenue in May 2021, and strong momentum going into 2022:

    - The Talentis TalentGraph now contains information on almost 250 million potential candidates. For certain types of search, Talentis delivers far superior search results through its Augmented Keyword Search technology than current market alternatives.
    - Most of Talentis' early adopters were existing group clients paying a nominal fee or, in many cases, receiving the product for free. As a result, while we received our first revenue in May 2021, the product experienced a slow start.
    - The slow start means that Talentis annual recurring revenue is currently in the mid five figures. However, realised recurring revenue has doubled every three months since launch, with particular acceleration since late Q4 2021. This acceleration appears on track to continue into Q2 of 2022.
    - Talentis became our most popular B2B product in the executive search space in Q4 2021, based on the number of new client wins in the period. In Q1 2022, it became our most popular B2B product across our entire product set based on the same definition.
    - Most paying customers are relatively small and are paying a modest subscription fee. However, customer size and subscription value are both expected to grow as the year progresses.
    - Talentis has attracted new, paying customers to the Group from 14 countries across 4 continents. The United Kingdom and United States are currently our two largest markets for the product.
    - In April 2022, we were pleased to see that the Talentis Chrome Extension was the first executive search focussed product (and one of very few recruitment tools) to receive a "featured" accreditation from Google. "Featured badges" are awarded by Google following a human review to products that "follow Google's technical best practices and meet the company's higher standard for user experience and design".

Strategy and Objectives

Our focus during the pandemic revolved around successfully protecting our business while helping our clients and our staff through challenging times. We can now concentrate on our long term strategy which is all about returning to growth. While cost savings were made during the pandemic, we maintained our product development expenditure and targeted it on growth opportunities.

This will be achieved by:

- Focusing on development expenditures on products serving the executive recruiter sector globally and the contingent recruiting (permanent, temporary and contract) sector.
- Having completed the withdrawal of Evolve from the market in 2019-20, we are in the process of withdrawing a further legacy product from the market, which will complete be in 2022.
- Consistently delivering "best in class" service to our clients, as demonstrated by sector leading Trustpilot scores, despite significant cost savings in recent years.
- Refreshing and reducing the size of the Board.

Whilst we have seen growing confidence in the recruitment markets around the world, the global economic challenges that 2022 may bring means that we need to remain focused and responsive to any factors that may hamper the business from returning to growth and profitability.

Key Performance Indicators (KPIs)

The key KPIs for 2021 were:

KPI	2021 outcome

Maintain a strong and stable financial position	£0.764m cash at year end
Protect and prioritise our product and development efforts	£0.987m development spend in year

Financial Review

Total revenues decreased by 12% to £5.599m in 2021 (2020: £6.332m) with recurring revenues decreasing by 13% to £5.009m (2020: £5.745m) and non-recurring revenues by 12% to £0.427m (2020: £0.485m). Third party revenue amounted to £0.163m in the period (2020: £0.102m).

Cost of sales increased to £0.685m (2020: £0.584m). Administrative expenses reduced by 22% to £5.113m (2020: £6.569m), and were covered 127% (2020: 125%) by recurring revenues. This was in part due to the full year impact of the 2020 cost base reductions.

Depreciation and amortisation (excluding acquisition related amortisation and one-off write-offs) decreased to £1.122m (2020: £1.334m).

Acquisition related and other costs totalled £0.059m (2020: £0.655m) and were in respect of:

- the amortisation of intangibles arising from acquisitions £0.213m (2020: £0.213m).
- grants received from overseas £0.160m (2020: £0.071m)
- other costs of £0.006m (2020: £0.513m)

The Group benefitted from an income tax credit in 2021 of £0.302m (2020: credit £0.251m). The 2021 credit reflects the Research and Development (R&D) tax credits available in the UK with the assumption that tax losses will be surrendered for the R&D tax credit payment where possible. It also reflects a prior year adjustment of a credit of £0.181m as the tax computations in respect of prior years were finalised and agreed.

Loss for the year before acquisition related and reorganisation and other costs amounted to £0.140m (2020: loss £0.166m). The 2021 adjusted loss benefitted from tax income of £0.287m (2020: tax income of £0.143m). The statutory profit for the year was £0.004m (2020: loss £0.663m). Basic profit/(loss) per share (EPS) was 0.02p (2020: (3.37)p). Fully diluted EPS was to 0.02p (2020: (3.37)p). Adjusted basic EPS increased to 0.24p (2020: (0.59)p).

Capital expenditure

The Group invested £1.008m in property, plant and equipment and product development in 2021 (2020: £0.971m) of which £0.987m (2020: £0.969m) related to capitalised development costs.

Trade and other payables

As with previous years, the trade and other payables includes deferred income of £1.639m (2020: £2.029m), i.e. income which has been billed in advance but is not recognised as income at that time. This principally relates to support, SaaS, cloud hosting renewals and other subscriptions, which are billed in 2021 in respect of services to be delivered in 2022. It also includes licence revenue for which a support contract is required, and which is spread over 5 years under IFRS15. Contractual income is recognised monthly over the period to which it relates. It also includes deposits taken for work which has not yet been completed; as such income is only recognised when the work is substantially complete, or the client software goes "live".

Cash and debt

The Group finished the year with cash funds of £0.764m (2020: £1.291m). The Group completed repayment of the June 2019 loan in June 2021. The Group obtained a loan of £1.5m in June 2020 under the Government CBIL scheme, which is repayable over 6 years with no repayment in the first year, monthly repayments commenced in July 2021.

Bank borrowings at 31 December 2021 were therefore £1.350m (2020: £1.804m). The Group also had a convertible loan of £0.400m (2020: £0.408m) which will not be repaid until the CBIL loan has been repaid.

Jason Starr
Chief Executive Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £'000	2020 £'000
Revenue	**5**	5,599	6,332
Cost of sales		(685)	(584)
Gross profit		4,914	5,748
Administrative expenses		(5,113)	(6,569)
Operating loss		(199)	(821)
Adjusted operating (loss) before acquisition related, reorganisation and other items	**4**	(140)	(166)
Acquisition related, reorganisation and other items	**7**	(59)	(655)
Operating (loss)		(199)	(821)
Financial cost		(99)	(93)
(Loss) before tax		**(298)**	**(914)**
Tax income	**8**	302	251
Profit/(loss) for the year		**4**	**(663)**
Other comprehensive income/(loss)			
Items that will be reclassified subsequently to profit and loss:			
Currency translation differences		4	12
Total comprehensive profit/(loss) for the year		**8**	**(651)**

Earnings per share

Basic	9	0.02p	(3.37)p
Diluted	9	0.02p	(3.37)p

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Share premium	Merger reserve	Convertible loan reserve	Retained earnings	Share options	Foreign exchange	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2020	**983**	**1,631**	**365**	**14**	**871**	**94**	**47**	**4,005**
Comprehensive income								
Loss for the year	-	-	-	-	(663)	-	-	(663)
Other comprehensive income								
Exchange differences on translation of overseas operations	-	-	-	-	-	-	12	12
Total comprehensive loss			-	-	(663)	-	12	(651)
Transactions with owners								
Share option charge	-	-	-	-	-	16	-	16
Total transactions with owners	-	-	-	-	-	*16*	-	*16*
Balance at 31 December 2020	**983**	**1,631**	**365**	**14**	**208**	**110**	**59**	**3,370**
Comprehensive income								
Profit for the year	-	-	-	-	4	-	-	4
Other comprehensive income								
Exchange differences on translation of overseas operations	-	-	-	-	-	-	4	4
Total comprehensive loss	-	-	-	-	4	-	4	8
Transactions with owners								
Share option charge	-	-	-		50	(46)	-	4
Total transactions with owners	-	-	-	-	*50*	*(46)*	-	*4*
Balance at 31 December 2021	**983**	**1,631**	**365**	**14**	**262**	**64**	**63**	**3,382**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Group	
	2021	**2020**
	£'000	**£'000**
ASSETS		
Non-current assets		
Goodwill	3,415	3,415
Other intangible assets	3,142	3,362
Property, plant and equipment	25	24
Right of use assets	592	680
Investments	-	-
Total non-current assets	7,174	7,481
Current assets		
Trade and other receivables	615	883
Current tax receivable	29	186
Cash and cash equivalents	764	1,291
Total current assets	1,408	2,360
Total assets	8,582	9,841
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	983	983
Share premium	1,631	1,631
Merger reserve	365	365
Convertible loan reserve	14	14
Retained earnings	262	208
Share option reserve	64	110
Foreign exchange reserve	63	59
Total equity	3,382	3,370
Liabilities		
Non-current liabilities		
Trade and other payables	238	271
Lease liabilities	560	638
Borrowings	1,450	1,749
Deferred tax liability	210	296
Total non-current liabilities	2,458	2,954
Current liabilities		
Trade and other payables	2,347	2,953
Lease liabilities	95	103
Borrowings	300	461
Total current liabilities	2,742	3,517
Total liabilities	5,200	6,471
Total liabilities and equity	8,582	9,841

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

Operating activities	For the year ended 31 December 2021 £'000	For the year ended 31 December 2021 £'000	For the year ended 31 December 2020 £'000	For the year ended 31 December 2020 £'000
Loss before tax	(298)		(914)	
Adjustment for				
Financial cost	99		93	
Depreciation and amortisation	1,335		1,984	
Share option expense	3		16	
Foreign exchange adjustments arising from operations	10		(28)	
Operating cash flows before movement in working capital	1,149		1,151	
Decrease in receivables	268		360	
Decrease in payables	(639)		(1,120)	
Taxation refunded	373		314	
Net cash generated from operating activities		1,151		705
Investing activities				
Purchases of property, plant and equipment	(21)		(2)	
Investment in development costs	(987)		(969)	
Net cash used in investing activities		(1,008)		(971)
Financing activities				
Interest paid	(99)		(84)	
Proceeds from bank loan	-		1,500	
Bank loan repayments made	(461)		(166)	
Lease payments made	(104)		(114)	
Repayment of banking facility	-		(288)	
Net cash (used in)/generated from financing activities		(664)		848
Net (decrease)/increase in cash and cash equivalents		(521)		582
Cash and cash equivalents at beginning of the year		1,291		690
Effect of foreign exchange rate changes		(6)		19
Cash and cash equivalents at end of year		764		1,291

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. Publication of non-statutory accounts

In accordance with section 435 of the Companies Act 2006, the Directors advise that the financial information set out in this announcement does not constitute the Group's statutory financial statements for the year ended 31 December 2021 or 2020, but is derived from these financial statements. The financial statements for the year ended 31 December 2020 have been audited and filed with the Registrar of Companies. The financial statements for the year ended 31 December 2021 have been prepared in accordance with UK-adopted international accounting standards, IFRIC Interpretations and the Companies Act 2006. The financial statements for the year ended 31 December 2021 have been audited and will be filed with the Registrar of Companies following the Company's Annual General Meeting. The Independent Auditors Report on the Group's statutory financial statements for the years ended 31 December 2021 and 2020 were unqualified and did not draw attention to any matters by way of emphasis and did not contain statements under Section 498(2) or (3) of the Companies Act 2006.

2. Basis of preparation

The preliminary announcement is extracted from the consolidated financial statements of the Group. The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognised in assets or liabilities are eliminated in full.

The Group's business activities and financial position, together with the factors likely to affect its future development, performance and position have been taken into account in considering the Group's adoption of the going concern basis. Together with the financial statements, notes, net current liability position and cash flows for the year ended 31 December 2021. The Group prepare 3 year budgets and cash flow forecasts to ensure that the Group can meet its liabilities as they fall due.

The Group meets its day to day working capital requirements through its cash balance. It has in place a £1.5m CBIL loan, secured in June 2020, repayable over 6 years with capital repayments commencing from July 2021. The Group did not have an overdraft at the year-end and paid-off a two year bank loan in June 2021. The Group's forecasts, taking into account the Board's future expectations of the Group's performance, indicate that there is sufficient headroom within its CBIL loan facility. Compliance with the CBIL covenant has been considered and based on management expectations and actions, that could practically be taken, the directors do not consider any reasonable risk to arise from this.

The cash flow forecasts have been stress tested reviewing assumptions around new and existing business with growth and renewal rates being reduced. A reverse stress test was also prepared to review what reduction in revenue would be necessary to breach overdraft limits in 2022.

As at the date of this report, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

3. Accounting policies

This preliminary announcement has been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 31 December 2020.

4. Reconciliation of adjusted profits to consolidated statement of comprehensive income

	Note	Adjusted profits 2021 £'000	Acquisition related, reorganisation and other costs 2021* £'000	2021 £'000	Adjusted profits 2020 £'000	Acquisition related reorganisation and other costs 2020* £'000	2020 £'000
Revenue		5,599	**-**	5,599	6,332	**-**	6,332
Cost of sales		(685)	**-**	(685)	(584)	**-**	(584)
Gross profit		4,914	-	4,914	5,748	-	5,748
Administrative expenses		(5,054)	(59)	(5,113)	(5,914)	(655)	(6,569)
Operating (loss)		(140)	(59)	(199)	(166)	(655)	(821)
Financial income		-	**-**	-	-	**-**	-
Financial cost		(99)	-	(99)	(93)	-	(93)
(Loss) before tax		(239)	(59)	(298)	(259)	(655)	(914)
Tax income		287	15	302	143	108	251
Profit/(loss) for the year		48	(44)	4	(116)	(547)	(663)
Other comprehensive loss net of tax:							
Currency translation differences		4	**-**	4	12	**-**	12
Total comprehensive profit/(loss) for the year net of tax		52	(44)	8	(104)	(547)	(651)
Earnings per share							
Basic	10	0.24p	-	0.02p	(0.59)p	-	(3.37)p
Diluted	10	0.24p	-	0.02p	(0.59)p	-	(3.37)p

* *See note 7*

5. Segment reporting

Divisional segments	Ikiru People 2021 £'000	Central 2021 £'000	Total 2021 £'000	Ikiru People 2020 £'000	Central 2020 £'000	Total 2020 £'000
Segment revenue	5,599	-	5,599	6,332	-	6,332
Segment EBITDA	953	29	982	1,211	(43)	1,168
Depreciation and amortisation expense	(1,122)	-	(1,122)	(1,334)	-	(1,334)
Segment result before reorganisation and other costs	(169)	29	(140)	(123)	(43)	(166)
Reorganisation and other costs	154	-	154	(442)	-	(442)
Segment result	(15)	29	14	(565)	(43)	(608)
Acquisition related amortisation	-	(213)	(213)	-	(213)	(213)
Operating (loss)	(15)	(184)	(199)	(565)	(256)	(821)
Loan interest/ lease interest	(35)	(64)	(99)	(39)	(54)	(93)
Loss before tax			(298)			(914)
Income tax income			302			251
Profit/(loss) for the year			4			(663)
Additions of non-current assets	1,028		1,028	1,006		1,006

Products and services

The following table provides an analysis of the Group's revenue by products and services:

Revenue

	2021 £'000	2020 £'000
Recurring income	5,009	5,745
Non-recurring income	427	485
Third party revenues	163	102
	5,599	6,332

In the table above 'Recurring income' represents all income recognised over time, whereas 'Non-recurring income' and 'Third party revenues' represent all income recognised at a point in time.

Recurring income includes all support services, SaaS and hosting income and revenue on perpetual licenses with mandatory support contracts deferred under IFRS 15. Non-recurring income includes sales of new licenses which do not require a support contract, and income derived from installing licences including training, installation and data translation. Third party revenues arise from the sale of third party software.

It is not possible to allocate assets and additions between recurring, non-recurring income and third party revenue. No customer represented more than 10% of revenue of the Group in 2021 or 2020.

6. Geographical analysis

The following table provides an estimated of the Group's revenue by geographic market based on the Customers' country. This is provided for information only as the Board does not review the performance of the business from a geographical viewpoint.

Revenue

	2021 £'000	2020 £'000
UK	3,933	3,717
Europe	762	877
Americas	526	1,074
Australia	140	295
ROW	238	369
	5,599	6,332

Non-current assets by geographical location

	2021 £'000	2020 £'000
UK	7,169	7,460
US	1	1
Australia	4	20
	7,174	7,481

7. Acquisition related, reorganisation and other costs

	2021 £'000	2020 £'000
Included within administrative expenses:		
Reorganisation and other costs	6	78
US government loan (Payment Protection Program)	(154)	-
Australian government grant	(6)	(71)
Amortisation of acquisition intangibles	213	213
Write-off of capitalised development	-	435
	59	655

Reorganisation and other costs include severance payments and loss of office payments. The write-off of capitalised development relates to a product that is no longer actively sold.

8. Tax income

	2021 £'000	2020 £'000
Current tax	(96)	(99)
Prior year adjustment – current tax	(121)	(108)
Total current tax	(217)	(207)
Deferred tax	(35)	(123)
Prior year adjustment – deferred tax	(60)	80
Deferred tax rate change to 25% (2020: 19.0%)	50	40
Deferred tax re acquisition intangibles	(40)	(41)
Total deferred tax	(85)	(44)
Tax (income) for the year	(302)	(251)

Factors affecting the tax credit for the year		
Loss before tax	(298)	(914)
UK rate of taxation	19.0%	19.0%
Loss before tax multiplied by the UK rate of taxation	(57)	(174)
Effects of:		
Overseas tax rates	(6)	1
Impact of deferred tax not provided	(1)	8
Enhanced R&D relief	(146)	(143)
Disallowed expenses	18	14
Deferred tax rate change to 25% (2020: 19.0%)	41	40
Rate difference between CT rate and rate of R&D repayment	30	31
Prior year adjustments	(181)	(28)
Tax (income)	(302)	(251)

9. Earnings per share

	2021 Using adjusted profit	2021	2020 Using adjusted profit	2020
Profit/(loss) attributable to ordinary shareholders (note 2)	£48,000	£4,000	£(116,000)	£(663,000)
Weighted average number of shares	19,668,021	19,668,021	19,668,021	19,668,021
Basic profit/(loss) per share	0.24 p	0.02 p	(0.59) p	(3.37) p
Weighted average number of shares after dilution	19,668,021	19,668,021	19,670,013	19,670,013
Fully diluted profit/(loss) per share	0.24 p	0.02 p	(0.59) p	(3.37) p

Reconciliation of basic to diluted average number of shares:

	2021	2020
Weighted average number of shares (basic)	19,668,021	19,668,021
Effect of dilutive potential ordinary shares – employee share plans	-	1,992
Weighted average number of shares after dilution	19,668,021	19,670,013

There are 493,337 (2020: 953,337) share options not included in the above calculations, as they are underwater or have been forfeited.

The impact of the convertible loan notes in the period is not dilutive and therefore does not impact the calculation of the fully diluted earnings per share.