COMPANY REGISTRATION NUMBER: 11723371

Elixirr Consulting Limited

Financial Statements

31 December 2021

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Elixirr Consulting Limited

Officers and Professional Advisers

The board of directors	I Ferguson S A Newton G E Busby
Registered office	12 Helmet Row London EC1V 3QJ
Auditor	Crowe U.K. LLP Chartered accountants & statutory auditor Riverside House 40-46 High Street Maidstone Kent ME14 1JH

Elixirr Consulting Limited

Strategic Report

Year ended 31 December 2021

The Directors present the Strategic Report together with their annual report and the financial statements of the Company for the year ended 31 December 2021.

Principal activities and business review

Elixirr Consulting Limited (the Company) and related companies in the Elixirr International plc group (together, Elixirr or the Group) are principally engaged in the provision of consultancy services. Elixirr is an established, global, award-winning management consultancy, challenging the larger consultancies by delivering innovative and bespoke solutions to a repeat, globally recognised client base. Elixirr works with companies in various industries including financial services, consumer goods, retail and technology media & telecommunications.

The Group focuses on building long-term, trusted relationships with clients by consistently delivering innovative, impactful solutions with the aim of solving clients' business challenges. The Group offers a wide range of expertise and capabilities to solve its clients' business challenges which includes defining strategy, driving business improvement or helping build new businesses. The Company uses a "bottom-up" approach which involves designing a bespoke solution to solve the specific issues for its clients, rather than solely trying to sell 'off the shelf' solutions. The Board believes that this is a key differentiator of Elixirr against its peers.

During 2021 the Group embarked on a restructure for the ultimate dissolution of Elixirr Creative Limited (company number 10969804) and Elix-irr Consulting Services Limited (company number 07671583) via voluntary strike-off. On 26 November 2021, Elixirr Creative Limited declared a dividend in specie of Den Creative Limited (company number 07113885) to the Company, following which the Company declared a dividend in specie of Den Creative Limited to Elixirr International plc (company number 11723404). Elixirr Creative Limited and Elix-irr Consulting Services Limited were dissolved via voluntary strike-off on 15 March 2022 and 22 March 2022 respectively.

Results and key performance indicators (KPIs)

The Statement of Comprehensive Income is set out on page 11. In the year ended 31 December 2021 the Company delivered revenue of £28.3 million. The Company reports a profit before tax of £7.1 million. These and the wider Group's results are considered the key performance indicators for the business. The financial position of the Company is set out in the Statement of Financial Position on page 12.

Principal risks and uncertainties

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

- **Demand for services in markets and sectors in which the Group operates** – The entrepreneurial culture and focus on helping clients build businesses, products and customer experiences are key differentiators of our service offering. The Group operates a flexible model and can quickly deploy staff to areas of higher demand to optimise utilisation.
- **Reputation, key client relationships and contractual terms** – The Group has relentless focus on client service and exceeding client expectations. This combined with our bespoke solutions

frequently embed Elixirr within our clients over the long term. The Board believes that the Group offer a range of services, approach and quality of people which is not replicated collectively by our competitors. Potential contractual liabilities from client engagements are managed through quality assurance over services and review of contractual terms by experienced legal professionals.

- **Recruitment and retention of talented employees** – The Group has remuneration policies and structures that reward good performance. For senior employees, an element of total remuneration is variable and linked to financial and other performance measures. Senior employees hold equity in Elixirr International plc with terms that incentivise them to perform at a high level and not to leave their employment. In May 2020 a Share Option Plan for employees was implemented. In June 2021 an Employee Share Purchase Plan ("ESPP") was introduced with high levels of participation to date. This alignment, by way of share participation, of employees' goals with those of the Group aids retention and attraction of talent.

- **Utilisation and profitability** – Utilisation targets are set annually and monitored monthly at employee grade level. Project profitability is tracked against agreed target margins.

- **COVID-19** – COVID-19 has had minimal impact on trading with employees able to work remotely to continue to provide services to clients. Despite market conditions due to COVID-19, research shows that the consulting industry has continued to grow. We have continued to evolve our offering based on the needs of our clients.

- **Russia/Ukraine conflict** – The Group does not have any current clients in Russia or Ukraine. We are monitoring the impact on our clients more generally, but to date have not seen any adverse impact from the conflict or sanctions.

Future developments

Since the year ended 31 December 2021, the Group has traded well with revenue increasing and margins proving resilient.

Despite the challenges presented by the pandemic, macro-economic and more recently geo-political conditions, we have continued to demonstrate strong financial performance and have not only realised but exceeded our growth ambitions. The combination of keeping our clients central to our services, offering a unique proposition in the market, with relentless ambition and a focus on our strategy, puts us in a strong position as a Group.

This report was approved by the Board of Directors on 28 September 2022 and signed on behalf of the Board by:

S A Newton
Director

Registered office:
12 Helmet Row
London
EC1V 3QJ

Elixirr Consulting Limited

Directors' Report

Year ended 31 December 2021

The Directors present their report and the financial statements of the Company for the year ended 31 December 2021.

Directors

The Directors who served the Company during the year and until the date of the financial statements were as follows:

G E Busby
I Ferguson
S A Newton

Dividends

The Directors are not proposing a final Ordinary share dividend in respect of the financial year ended 31 December 2021.

On 22 November 2021 the Company transferred all of its shares held in its subsidiary, Den Creative Limited, to its parent entity as a non-cash dividend in specie. The dividend in specie was calculated based on the value attributed to Den Creative Limited at the time, being £NIL.

No Ordinary share dividends were paid during the year ended 31 December 2021.

Disclosure of information in the strategic report

The principal activity, a review of the business, key performance indicators, principal risks and uncertainties and future developments of the Company have not been included in this report as they are disclosed in the Strategic Report.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 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 judgments and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), subject to any material departures disclosed and explained in the financial statements;
- assess the group and company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Elixirr Consulting Limited

Directors' Report

Year ended 31 December 2021

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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern

At the date of these financial statements, Company and Group revenue and profit have increased on the prior year comparable period, and the holding company Elixirr International plc is well capitalised.

The Directors have prepared cash flow forecasts for the Company for a review period of 12 months from the date of approval of these financial statements. These forecasts reflect an assessment of current and future market conditions and their impact on the Company's future cash flow performance.

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

Further information in relation to going concern is disclosed in note 2 to the financial statements.

Website publication

The Directors are responsible for the maintenance and the integrity of the information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Events after the balance sheet date

Events after the balance sheet date have been disclosed in note 24 of the financial statements.

Disclosure of information to auditors

Each of the persons who is a Director at the date of approval of this report confirms that:

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

Elixirr Consulting Limited

Directors' Report

Year ended 31 December 2021

Auditor

The auditor, Crowe U.K. LLP, was reappointed in accordance with section 485 of the Companies Act 2006 at the annual general meeting of Elixirr International plc on 13 June 2022.

This report was approved by the Board of Directors on 28 September 2022 and signed on behalf of the Board by:

S A Newton
Director

Registered office:
12 Helmet Row
London
EC1V 3QJ

Opinion

We have audited the financial statements of Elixirr Consulting Limited for the year ended 31 December 2021 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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, 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.

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 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.

Other information

The directors are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the 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 in relation to which 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 Directors

As explained more fully in the Directors' responsibilities statement set out on page 4, 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 the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We obtained an understanding of the legal and regulatory frameworks within which the company operates, 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 these risks included:

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material 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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Mark Sisson

Mark Sisson (Senior Statutory Auditor)

For and on behalf of

Crowe U.K. LLP
Riverside House
40-46 High Street
Maidstone
Kent
ME14 1JH

29 September 2022

Elixirr Consulting Limited

Statement of Comprehensive Income

Year ended 31 December 2021

	Note	Year ended 31 December 2021 £'000s	Year ended 31 December 2020 £'000s
Revenue	4	28,253	25,240
Cost of sales		(16,944)	(17,138)
Gross profit		**11,309**	**8,102**
Other income	5	1,026	-
Administrative expenses		(3,591)	(3,596)
Operating profit before exceptional items	6	**8,744**	**4,506**
Exceptional items	6	(1,458)	(222)
Operating profit	6	**7,286**	**4,284**
Finance income		9	2
Finance expense		(250)	(696)
Net finance expense	7	**(241)**	**(694)**
Profit before taxation		**7,045**	**3,590**
Taxation	8	(1,151)	(747)
Profit for the year		**5,894**	**2,843**

All results relate to continuing operations.

Elixirr Consulting Limited

Company Statement of Financial Position

31 December 2021

	Note	31 December 2021 £'000s	31 December 2020 £'000s
Non-current assets			
Intangible assets	12	41,677	42,910
Tangible assets	13	4,996	5,508
Investment in subsidiaries	14	2,717	4,175
Deferred tax asset	9	835	-
Other receivables	15	416	416
Total non-current assets		**50,641**	**53,009**
Current assets			
Trade and other receivables	15	11,839	4,917
Cash and cash equivalents	16	8,003	3,916
Total current assets		**19,842**	**8,833**
Total assets		**70,483**	**61,842**
Current liabilities			
Trade and other payables	17	13,264	10,658
Loans and borrowings	18	471	448
Corporation tax		94	455
Total current liabilities		**13,829**	**11,561**
Net current assets		**6,014**	**(2,728)**
Non-current liabilities			
Loans and borrowings	18	4,367	4,837
Deferred tax liability	9	290	400
Other non-current liabilities	19	200	148
Total non-current liabilities		**4,857**	**5,385**
Total liabilities		**18,686**	**16,946**
Net assets		**51,798**	**44,896**
Equity			
Share capital	20	3	3
Merger relief reserve	20	34,997	34,997
Retained earnings		16,798	9,896
Total shareholders' equity		**51,798**	**44,896**

These financial statements were approved by the board of Directors and authorised for issue on 28 September 2022 and are signed on behalf of the board by:

S A Newton
Director

The notes on pages 14 to 37 form part of these financial statements

Elixirr Consulting Limited

Statement of Changes in Equity

Year ended 31 December 2021

	Share capital £'000s	Merger relief reserve £'000s	Retained earnings £'000s	**Total £'000s**
As at 31 December 2019 and 1 January 2020	**3**	**43,497**	**922**	**44,422**
Comprehensive income				
Profit for the year	-	-	2,843	2,843
Transactions with owners				
Dividends	-	-	(8,869)	(8,869)
Redesignation/conversion of shares	-	6,500	-	6,500
Reduction in merger relief reserve	-	(15,000)	15,000	-
As at 31 December 2020 and 1 January 2021	**3**	**34,997**	**9,896**	**44,896**
Comprehensive income				
Profit for the year	–	–	5,894	5,894
Transactions with owners				
Share-based payments	–	–	211	211
Deferred tax recognised in equity	–	–	797	797
As at 31 December 2021	**3**	**34,997**	**16,798**	**51,798**

1. General information

Elixirr Consulting Limited (the "Company") principal activities are the provision of consultancy services.

The Company is a limited company incorporated in England and Wales and domiciled in the UK. The address of the registered office is 12 Helmet Row, London, EC1V 3QJ and the Company number is 11723371.

2. Summary of significant accounting policies

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

Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the financial statements have been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework', the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, as issued by the Financial Reporting Council.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements because it is included in the Group accounts of Elixirr International plc. The Group accounts of Elixirr International plc are available to the public and can be obtained as set out in note 26.

The functional and presentational currency of the Company is pounds sterling.

Measurement convention

The financial information has been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. The significant estimates and judgements that have been made and their effect is disclosed in note 3.

Disclosure exemptions

In preparing the separate financial statements of the Company, advantage has been taken of the following disclosure exemptions available in FRS 101:

- No cash flow statement has been presented for the Company as the results are included in the totals for the group as a whole in the consolidated financial statements of the ultimate parent (note 24); and
- Disclosures in respect of the Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole in the consolidated financial statements of the ultimate parent; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Company as their remuneration is included in the total for the group as a whole in the consolidated financial statements of the ultimate parent; and
- No disclosure has been given in terms of IAS 24 for related party transactions between wholly owned group companies, including transactions with the ultimate parent.

Going concern

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

Revenue recognition

Revenue is measured as the fair value of consideration received or receivable for satisfying performance obligations contained in contracts with clients, including expenses and disbursements but excluding discounts and Value Added Tax. Variable consideration is included in revenue only to the extent that it is highly probable that a significant reversal will not be required when the uncertainties determining the level of variable consideration are resolved. This occurs as follows for the Company's various contract types:

- Time-and-materials contracts are recognised over time as services are provided at the fee rate agreed with the client where there is an enforceable right to payment for performance completed to date.

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

- Performance-fee contracts are recognised when the right to consideration arises on having met the relevant performance-related elements.

- Contingent-fee contracts, over and above any agreed minimum fee, are recognised at the point in time that the contingent event occurs and the Company has become entitled to the revenue.

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

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

For time-and-materials, and fixed-fee contracts, fees are normally billed on a monthly basis. For performance-fee and contingent-fee contracts, fees are normally billed and paid when entitlement to the revenue has been established. If the revenue recognised by the Company exceeds the amounts billed, a contract asset is recognised. If the amounts billed exceed the revenue recognised, a contract liability is recognised. Contract assets are reclassified as receivables when billed and the consideration has become unconditional because only the passage of time is required before payment is due.

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

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

Business combinations

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

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

The Company acquired the trade and some of the assets of Elixirr Partners LLP, an entity under common control, on 1 July 2019.

Transactions with entities under common control are not within the scope of IFRS 3 "Business Combinations". In these circumstances IAS 8 requires the Directors to develop a policy that is relevant to the decision-making needs of the users and that is reliable as there is no specific applicable standard or interpretation.

Having considered the nature of the transaction, noting that some assets were not transferred with the business and the anticipation of a future corporate transaction, the Directors chose to apply IFRS 3 as this was considered to be the most appropriate method to reflect the acquisition.

The fair value of the purchase consideration was £50,000,000 and the nature of the consideration was shares issued. The difference between the fair value of the purchase consideration and the fair value of the identifiable assets acquired and liabilities assumed was recognised as goodwill. The goodwill is attributable to the company's workforce and working methodologies and it is not deductible for tax purposes.

Goodwill

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The goodwill is tested annually for impairment irrespective of whether there is an indication of impairment.

In accordance with IAS 36, the Company has tested goodwill for impairment at the reporting date. No goodwill impairment was deemed necessary as at 31 December 2021. For further details on the impairment review please refer to note 12.

Taxation

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

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

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

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

Foreign currency translation

Functional and presentational currency
The financial statements are presented in 'sterling', which is the Company's functional currency and presentation currency.

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

Intangible assets

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

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

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

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

Intangible asset	Useful economic life	Valuation method
Trademark	33.33% reducing balance	Relief from Royalty method

Tangible assets

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

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

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

Tangible fixed asset	Useful economic life
Leasehold improvements	Over the life of the lease
Computer equipment	3 years
Fixtures and fittings	3 years

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

Impairments of tangible and intangible assets

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

Employee benefits

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

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

Share-based payments

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

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

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

Please refer to note 21 for further details.

Financial instruments

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

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

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

Unbilled revenue
Unbilled revenue is recognised at the fair value of consultancy services provided at the balance sheet date reflecting the stage of completion (determined by costs incurred to date as a percentage of the total anticipated costs) of each assignment. This is included in contract assets.

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

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents.

Preference shares
Preference shares, which are non-redeemable with non-discretionary dividends, have both equity and liability elements.

The liability element is calculated as the present value of the future contractual cash flows, discounted at a market rate of interest, estimated at 10%. This amount is recorded as a liability on an amortised cost basis until extinguished or converted. The equity element is calculated as the residual value (i.e. the difference between the proceeds from the issue of the shares less the liability component) and is recognised and included in shareholders' equity.

The dividends on the preference shares are recognised in profit or loss as finance costs.

Provisions

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

Right-of-use assets: Leases

The Company leases one property in the UK from which it operates.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. This has been estimated at 5.0 per cent. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

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

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

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

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Financing income and expenses

Financing expenses comprise interest payable, finance charges on shares classified as liabilities, finance leases recognised in the income statement using the effective interest method and the unwinding of the discount on provisions.

Financing income includes interest receivable on funds invested.

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

Standards issued but not yet effective

At the date of authorisation of these financial statements, there is expected to be no material impact to the Company's financial statements from IFRSs, IFRICs or other standards or interpretations that have been issued but which are not yet effective.

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

- IAS 1 Presentation of liabilities as current or non-current
- IAS 1 Disclosure of accounting policies
- IAS 8 Definition of accounting estimates

The new standards, listed above, are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

3. Judgements and key sources of estimation uncertainty

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

In the process of applying the Company's accounting policies, the Directors have made no judgements (excluding those involving estimations), which are considered to have a significant effect on the amounts recognised in the financial statements for the year ending 31 December 2021.

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

- Revenue is recognised in line with time worked on a project unless the engagement is conditional or contingent. Management review accrued revenue to determine whether there is any likelihood of any amendments or provisions required based on project progress and relationship with the client.
- Full provision is made for loss making projects in the period in which the loss is first foreseen, and for the cost of conditional or contingent engagements prior to the event occurring. Estimation is required of costs to complete and the provision necessary.
- The Company's policy on recognising an impairment of the trade receivables balance is based on a review of individual receivable balances, their ageing and management's assessment of realisation. This review and assessment is conducted on a continuing basis and any material change in management's assessment of trade receivable impairment is reflected in the carrying value of the asset.
- Provisions for dilapidations are accrued based on estimation of the cost expected to crystallise on vacating leased premises.
- Amortisation period of trademarks is an estimate based on the expected useful life and is assessed annually for any changes based on current circumstances.
- Management has estimated the share-based payments expense under IFRS 2. In determining the fair value of share-based payments, management has considered several internal and external factors in order to judge the probability that management and employee share incentives may vest and to assess the fair value of share options at the date of grant. Such assumptions involve estimating a number of future performance and other factors.

4. Operating segments

Revenue arises from:

	Year ended 31 December 2021 £'000s	Year to 31 December 2020 £'000s
United Kingdom	12,604	11,220
USA	-	140
Rest of World	15,649	13,880
	28,253	25,240

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

5. Other income

Other income comprises dividend income from Elix-IRR Consulting Services Limited. The payment of the dividend was satisfied by offsetting £1,023,425 in part satisfaction of intercompany debt owed by Elix-IRR Consulting Services Limited with the balance settled in cash. Dividend income is recognised as other income in the statement of comprehensive income when the right to receive payment is established.

6. Profit before taxation

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

	Year ended 31 December 2021 £'000s	Year to 31 December 2020 £'000s
Depreciation – owned assets	95	7
Depreciation – leased assets	527	670
Share-based payments	211	-
Amortisation of intangible assets	1,233	1,728
Foreign exchange gains	(29)	(138)
Exceptional items	1,458	222

The exceptional items totalling £1,457,749 in 2021 relate to the write-off of investments in Elix-IRR Consulting Services Limited and Elixirr Creative Limited as part of the Group restructure for the ultimate dissolution of these subsidiaries via voluntary strike-off.

The exceptional items totalling £222,400 in 2020 include non-recurring costs associated with the pre-initial public offering (IPO) capital restructuring.

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

	Year ended 31 December 2021 £'000s	Year to 31 December 2020 £'000s
Audit of the Company financial statements	29	25

7. Net finance expense

	Year ended 31 December 2021 £'000s	Year to 31 December 2020 £'000s
Finance income:		
On short term deposits and investments	9	2
Total finance income	**9**	**2**
Finance costs:		
On bank loans and overdrafts at amortised cost	-	(4)
Preference share dividend	-	(387)
On lease liability	(250)	(305)
Total finance expense	**(250)**	**(696)**
Net finance expense	**(241)**	**(694)**

8. Taxation on profit on ordinary activities

Analysis of tax charge:

	Year ended 31 December 2021 £'000s	Year to 31 December 2020 £'000s
Current tax		
Current tax on income for the year	1,516	885
Adjustments in respect of prior years	(217)	-
Total current tax	**1,299**	**885**
Deferred tax		
In respect of the current year	(148)	(138)
Total deferred tax	**(148)**	**(138)**
Income tax expense	**1,151**	**747**

Numerical reconciliation of income tax expense:

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19%.

	Year ended 31 December 2021 £'000s	Year to 31 December 2020 £'000s
Profit before taxation	7,045	3,590
Profit on ordinary activities multiplied by rate of Corporation tax in UK of 19% (2020:19%)	1,339	682
Expenses not deductible	9	85
Deferred tax release re trademarks	(98)	(154)
Exceptional items not deductible	277	26
Closing deferred tax rate lower/(higher) than main current tax rate	20	16
Other adjustable items	16	92
Dividend income not taxable	(195)	-
Adjustments in respect of prior periods	(22)	-
R&D tax relief in respect of prior periods	(195)	-
Total taxation	**1,151**	**747**

9. **Deferred tax**

Net deferred tax asset/(liability):

The balances comprise temporary differences attributable to:

	As at 31 December 2021 £'000s	As at 31 December 2020 £'000s
Deferred tax liability		
Property, plant and equipment	(45)	(57)
Intangible assets	(245)	(343)
Total deferred tax liability	**(290)**	**(400)**
Deferred tax asset		
Share-based payments	835	-
Total deferred tax asset	**835**	**-**
Net deferred tax asset/(liability)	**545**	**(400)**

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

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

Movements in deferred tax:

	Property, plant and equipment £'000s	Intangible assets £'000s	Share-based payments £'000s	**Total £'000s**
At 01 January 2020	(57)	(481)	-	**(538)**
Credited to profit and loss	-	138	-	**138**
At 31 December 2020	(57)	(343)	-	**(400)**
Credited to profit and loss	12	98	38	**148**
Credited to equity	-	-	797	**797**
At 31 December 2021	**(45)**	**(245)**	**835**	**545**

10. Dividends

	As at 31 December 2021 £'000s	As at 31 December 2020 £'000s
B Class Ordinary shares		
Interim dividend of £643.42 per fully paid share	-	869
Ordinary shares		
Interim dividend of £2,388.06 per fully paid share	-	8,000
Total dividends provided for or paid	**-**	**8,869**

The Directors are not proposing a final Ordinary share dividend in respect of the financial year ended 31 December 2021. No Ordinary share dividends were paid in cash during the year ended 31 December 2021.

On 22 November 2021 the Company transferred all of its shares held in its subsidiary, Den Creative Limited, to its parent entity as a non-cash dividend in specie. The dividend in specie was recorded based on the book value attributed to Den Creative Limited at the time, being £NIL.

11. Employees and directors

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

	Year ended 31 December 2021 Number	Year to 31 December 2020 Number
Directors, management, and partners	15	14
Provision of services	30	-
Administration	7	-
	52	**14**

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2021 £'000s	Year to 31 December 2020 £'000s
Wages and salaries	8,433	5,834
Social security costs	1,086	872
Pension costs	82	17
	9,601	**6,723**

The Directors' aggregate remuneration in respect of qualifying services was:

	Year ended 31 December 2021 £'000s	Year to 31 December 2020 £'000s
Remuneration	3,220	1,864

Remuneration of the highest paid Director in respect of qualifying services:

	Year ended 31 December 2021 £'000s	Year to 31 December 2020 £'000s
Aggregate remuneration	1,658	1,000

Included in the aggregate remuneration for the highest paid director is an amount of £1,318 for pension contributions during the year.

12. Goodwill and intangible fixed assets

	Goodwill £'000s	Trademarks £'000s	**Total £'000s**
Cost			
At 1 January 2020	38,613	7,135	45,748
At 31 December 2020	38,613	7,135	45,748
At 31 December 2021	**38,613**	**7,135**	**45,748**
Amortisation			
At 1 January 2020	-	(1,110)	(1,110)
Charge for the year	-	(1,728)	(1,728)
At 31 December 2020	-	(2,838)	(2,838)
Charge for the year	-	(1,233)	(1,233)
At 31 December 2021	-	**(4,071)**	**(4,071)**
Net book value			
At 31 December 2020	38,613	4,297	42,910
At 31 December 2021	**38,613**	**3,064**	**41,677**

Goodwill

Goodwill relates to the transfer of the business and assets of Elixirr Partners LLP and subsidiaries to the Company in 2019.

Goodwill impairment review

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

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

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

The carrying value of goodwill arising on acquisitions is £38,612,955 being the fair value of consideration payable (£50,000,000) less the net assets on acquisition (£11,387,045). No impairment is indicated by the value in use calculation.

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

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

Discount rate
The Group's post-tax weighted average cost of capital has been used to calculate a discount rate of 10%, which reflects current market assessments of the time value of money for the period under review and the risks specific to the Company.

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

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

	31 December 2021	31 December 2020
On current cash flow projections, the discount rate would need to exceed the % alongside for there to be any impairment; and	27.1%	26.0%
In the case of no increase in future cash flows above those projected for the following year, the discount rate would have to exceed the % alongside for there to be any impairment.	23.6%	15.6%

13. Tangible assets

	Right of use asset £'000s	Furniture and fittings £'000s	Leasehold Improvements £'000s	Computer Equipment £'000s	**Total £'000s**
Cost					
At 31 December 2019	5,919	65	499	56	6,539
Additions	-	-	6	12	18
Disposals	-	-	-	(2)	(2)
At 31 December 2020	5.919	65	505	67	6,555
Additions	52	4	-	54	110
At 31 December 2021	**5,971**	**69**	**505**	**121**	**6,665**
Depreciation					
At 31 December 2019	(263)	(25)	(72)	(20)	(381)
Disposals	-	-	8	2	10
Charge for the year	(526)	(36)	(85)	(30)	(677)
At 31 December 2020	(789)	(62)	(148)	(49)	(1,048)
Charge for the year	(527)	(2)	(77)	(16)	(622)
At 31 December 2021	**(1,316)**	**(64)**	**(225)**	**(65)**	**(1,670)**
Net book value					
At 31 December 2020	5,129	4	357	18	5,508
At 31 December 2021	**4,655**	**5**	**280**	**56**	**4,996**

The lease liability in respect of the right-of-use asset was £4,837,445 as at 31 December 2021 (2020: £5,285,741). As disclosed in the summary of significant accounting policies, the discount rate used in determining the present value of the lease liability was 5%.

14. Investment in subsidiaries

	Total £'000s
Cost/carrying value	
At 31 December 2020	4,175
Disposal	(1,458)
At 31 December 2021	**2,717**

The undertakings in which the Company's interest at the year-end is 20 percent or more are as follows:

Subsidiary undertakings	***Country of incorporation***	***Principal activity***	***Registered office***	**At 31 December 2021**	At 31 December 2020
Elix-IRR Consulting Services Limited **	England and Wales	Services to the Group	12 Helmet Row, London, EC1V 3QJ	100%	100%
Elix-IRR Consulting Services (South Africa) Limited	England and Wales	Services to the Group	12 Helmet Row, London, EC1V 3QJ	100%	100%
Elixirr LLC	United States	Consultancy	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808	100%	100%
Elixirr Consulting AI Limited *	England and Wales	Dormant activities	12 Helmet Row, London, EC1V 3QJ	-	100%
Elixirr Creative Limited **	England and Wales	Information technology consultancy	12 Helmet Row, London, EC1V 3QJ	100%	100%
Den Creative Limited (indirect)	England and Wales	Information technology consultancy	12 Helmet Row, London, EC1V 3QJ	-	100%
Elixirr Services Limited	England and Wales	Dormant activities	12 Helmet Row, London, EC1V 3QJ	100%	100%

* Elixirr Consulting AI Limited was struck off the Companies House register on 19 January 2021 and dissolved on 26 January 2021.
** Elixirr Creative Limited and Elix-IRR Consulting Services Limited applied to be struck off the Companies House register on 24 December 2021 and were dissolved on 22 March 2022.

15. Receivables

Non-current assets

	As at 31 December 2021 £'000s	As at 31 December 2020 £'000s
Other receivables	416	416
	416	**416**

Current assets

	As at 31 December 2021 £'000s	As at 31 December 2020 £'000s
Trade receivables	3,550	2,002
Prepayments and deposits	306	187
Contract assets	-	11
Amounts owed by group companies	7,983	1,439
Loans to employees	-	1,112
Other receivables	-	166
	11,839	**4,917**

Non-current other receivables represents the property deposit.

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

The impairment loss included in administrative expenses in the statement of comprehensive income for the year in respect of bad and doubtful trade receivables was £NIL (2020: £12,000).

The expected credit loss on trade and other receivables was not material at the current or prior year ends.

The ageing of trade receivables is detailed below:

As at 31 December 2021

	< 30 days £'000s	< 60 days £'000s	< 90 days £'000s	< 120 days £'000s	> 120 days £'000s	**Total £'000s**
Gross carrying amount	2,043	989	433	85	-	**3,550**

As at 31 December 2020

	< 30 days £'000s	< 60 days £'000s	< 90 days £'000s	< 120 days £'000s	> 120 days £'000s	**Total £'000s**
Gross carrying amount	1,124	688	190	-	-	**2,002**

16. Cash and cash equivalents

	As at 31 December 2021 £'000s	As at 31 December 2020 £'000s
Cash at bank and in hand	8,003	3,916

Cash at bank earns interest at floating rates based on daily bank deposit rates.

17. Trade and other payables

	As at 31 December 2021 £'000s	As at 31 December 2020 £'000s
Current liabilities		
Trade payables	316	122
Other taxes and social security costs	579	922
Amounts owed to group companies	5,343	5,309
Contract liabilities	1,544	-
Other payables and accruals	5,482	4,305
	13,264	**10,658**

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

18. Loans and borrowings

	As at 31 December 2021 £'000s	As at 31 December 2020 £'000s
Current liabilities		
Right of use lease liability	471	448
	471	**448**

	As at 31 December 2021 £'000s	As at 31 December 2020 £'000s
Non-current liabilities		
Right of use lease liability	4,367	4,837
	4,367	**4,837**

The movement in the lease liability was as follows:

	Right of use lease liability £'000s
Group	
At 31 December 2019	5,865
Interest payable	305
Repayment of lease liabilities	(885)
At 31 December 2020	5,286
Interest payable	249
Repayment of lease liabilities	(697)
At 31 December 2021	**4,838**

As disclosed in the summary of significant accounting policies, the discount rate used in determining the present value of the lease liability was 5%.

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

	31 December 2021 £'000s
Lease liability less than one year	694
Lease liability greater than one year and less than five years	2,775
Lease liability greater than five years	2,429
Total Liability	5,898
Finance charges included above	(1,060)
Right of use lease liability	**4,838**

19. Other non-current liabilities

	As at 31 December 2021 £'000s	As at 31 December 2020 £'000s
Dilapidations provision	200	148
	200	**148**

20. Share capital and merger relief reserve

	As at 31 December 2021		
	Issued shares *Number*	Par value £	Merger relief reserve £'000s
£1 Ordinary shares	3,350	3,350	34,997

	As at 31 December 2020		
	Issued shares *Number*	Par value £	Merger relief reserve £'000s
£1 Ordinary shares	3,350	3,350	34,997

Ordinary shares

On a show of hands every holder of Ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and on a poll each share is entitled to one vote.

The shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held.

Movements in Ordinary shares:	Issued shares *Number*	Par value £	Merger relief reserve £'000s
At 31 December 2019 and 1 January 2020	-	-	-
Redesignation/conversion	3,350	3,350	49,997
Reduction in merger relief reserve	-	-	(15,000)
At 31 December 2020 and 31 December 2021	**3,350**	**3,350**	**34,997**

21. Share-based payments

Share option plans

On 8 May 2020 a Share Option Plan was implemented by the Parent Company (Elixirr International plc).

During the year ended 31 December 2021, share options were granted by the Parent Company to employees of the Company.

No share options were exercisable in the year.

Employee share purchase plan ('ESPP')

On 16 June 2021 an ESPP was implemented by the Parent Company.

Under the scheme all of the employees of the Group (excl. Partners) are eligible to contribute a percentage of their gross salary (5% - 20%) to purchase shares in the Parent Company and the Parent Company awarded the employees with matching shares on the basis of one matching share for every one employee share held on 15 January 2022. The matching shares vest equally over a 5-year period with the first share vesting on 31 January 2023.

22. Financial instruments

Carrying amount of financial instruments

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

	As at 31 December 2021 £'000s	As at 31 December 2020 £'000s
Financial assets		
Financial assets that are debt instruments measured at amortised cost	19,953	9,063
Financial liabilities		
Financial liabilities measured at amortised cost	17,521	15,022

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

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

23. Related party disclosures

Related parties, following the definitions in IAS 24, are the Company's subsidiary companies, members of the Board, key management personnel and their families, and shareholders who have control or significant influence over the Company.

In the year ended 31 December 2020, the Company offset £921,270 of amounts lent to shareholders to settle amounts owed to the Company by Elixirr Partners LLP. There was an outstanding liability with Elixirr Partners LLP included in current liabilities (£105,074) at 31 December 2020. The outstanding liability was settled with Elixirr Partners LLP in the year ended 31 December 2021.

Gavin Patterson, independent non-executive chairman of the Parent entity Board, provided consulting services to the Company totalling £25,000 (2020: £45,021).

In 2020, travel and marketing costs include the hire of an aeroplane from Aviation E LLP, Stephen Newton a member of the Board is a member of Aviation E LLP. The total expense incurred was £19,845 with £6,696 outstanding as at 31 December 2020. During 2021 the £6,696 owing to Aviation E LLP was settled.

In 2020 interest-free loans were made to key management personnel to settle their liability to a related party, Elixirr Partners LLP. These were repaid in full during the year. No balance remained outstanding at the year end. A reconciliation of the loan balance is shown below:

	£'000s
At 1 January 2020	170
Loans advanced	2,741
Loan repayments	(2,544)
At 31 December 2020	367
Loan repayments	(367)
At 31 December 2021	-

24. Events after the balance sheet date

Elixirr Creative Limited, a directly held subsidiary undertaking of the Company, applied to be struck off the Companies House register on 24 December 2021 and was dissolved on 22 March 2022.

Elix-IRR Consulting Services Limited, a directly held subsidiary undertaking of the Company, applied to be struck off the Companies House register on 24 December 2021 and was dissolved on 22 March 2022.

25. Reserves

Share capital
Share capital represents the nominal value of share capital subscribed.

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

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

26. Ultimate controlling party

The Company's ultimate parent company and immediate controlling party is Elixirr International plc (company number 11723404), incorporated in the United Kingdom. The registered office of Elixirr International plc is 12 Helmet Row, London, EC1V 3QJ. Copies of the Group financial statements of Elixirr International plc are available from The Registrar of Companies (England and Wales).