Intercede Group plc

Annual Report & Accounts

2023

Summary Highlights

Revenue

FY23

£12.1m
22% Growth

FY22 **£9.9m**

EBITDA Growth

FY23

£1.3m
30% Growth

FY22 **£1m**

Gross Profit

FY23

£11.7m
20.6% Growth

FY22 **£9.7m**

Cash and Cash Equivalents

at 31 March 2023

£8.3m
6.4% Growth

FY22 **£7.8m**

Net Profit

FY23

£1.3m
85.7% Growth

FY22 **£0.7m**

Net Cash Generation

FY23

£2.9m
2800% Growth

FY22 **£0.1m**

Net Margin Growth

FY23

11%
57.1% Growth

FY22 **7%**

Research and Development Costs

FY23

£3.1m
3.3% Growth

FY22 **£3.0m**

CONTENTS

Dear Shareholders,

Following on from the successful delivery of Phase One (Sustainability) the Group has now embarked on Phase Two. The main objective, that we are focussed on in this phase, is growth: both organic and inorganic. The Group grew at its fastest pace with revenues of £12.1 million and adjusted EBITDA of £1.3 million. Basic earnings per share grew from 1.3p to 2.3p and the Group had a cash balance of £8.3 million following an outflow of approximately £2.2 million (including acquisition costs charged to the Income Statement) on the acquisition of Authlogics in October 2022.

The Group has made progress on several fronts in FY23. Software licence income was £2.3 million in the year with v12.6 of MyID released at end of the final quarter along with Authlogics's v4.2. Repeatable and recurring revenues continue to be a key focus for the Group and grew impressively to £2.5 million of professional services and £7.3 million of support and maintenance.

We continue to invest in our people and development of our products. The markets we operate remain strong and there are major opportunities for the Group to pursue. These fundamentals will reinforce consistent growth going forward and it is therefore very pleasing to note the software licence income growth.

Scalability and Growth

Our current largest market is the USA and we will continue to invest in people and infrastructure to ensure we can reap the benefits of the opportunities we pursue here. The good news is that we see growth in other parts of the world as well, especially in UK, EMEA and APAC regions.

To enable the Group to scale, the Board continues to follow the '6 Cs' strategy (updated later in the Strategic Report) and focused on what it believes are the foundations of a modern, forward-looking software company:

- Strong quality product development,
- A diverse, well-motivated and incentivised group of colleagues,
- A diverse and engaged Board and
- Elevating the importance of Environment, Social and Governance (ESG), with a new committee being set up in FY24.

We believe that by demonstrating to our clients, channels, technology partners and colleagues that we are truly committed to delivering on an ESG agenda we are embedding best practice that will deliver immense long-term value.

Acquisition Strategy

We successfully completed the Group's first acquisition in October 2022 by purchasing Authlogics, a leading Multi Factor Authentication (MFA)/ Password Security Manager (PSM) provider. The integration is on track and product road maps have been adapted to bring the various offerings of Intercede's solutions under a single platform.

Meanwhile, the Group continues to assess a pipeline of potential acquisitions that either fit our strategy of expanding our addressable cybersecurity market, especially in the zero-trust sector, or add scale to our business through additional customers that bring recurring support and maintenance or subscription contracts.

In the current climate, it does take time to identify such opportunities, and the Group will maintain its disciplined approach to pricing and due diligence. Our M&A pipeline is healthy, and we are confident we will find success in securing businesses that will create enhanced shareholder value.

Colleagues, Stakeholders and Board Changes

I would like to take this opportunity to thank all our colleagues, customers, partners and stakeholders for their efforts in helping deliver a successful and profitable result. Furthermore, I extend my thanks to Klaas and his management team for their leadership and invaluable assistance.

During the year Andrew Walker retired from the Board with the appointment of Nitil Patel as his successor and new Chief Financial Officer of Intercede. Tina Whitley was appointed as an Independent Non-Executive Director, bringing over 30 years' experience across the information technology sector and I succeeded Charles (Chuck) Pol as the new Chair of the Group.

On 20th June we announced that Chuck Pol and Rob Chandhok will step down from the Board as Non-Executive Directors in due course. The Board is delighted to welcome John Linwood as a new Non-Executive Director. John brings with him considerable market knowledge and a breadth and depth of skills and experience. Our thanks and best wishes go to Chuck and Rob for their service to the Company.

Outlook

It has been a promising year of both financial and operational progress and Intercede is now very well positioned for further growth. To be even more successful, we need to remain disciplined in terms of how we allocate our resources, our capital and execute our investment plans.

With the current macro-economic environment harder to assess and navigate, the Group will continue to be vigilant on its liquidity position and is well placed to make strategic acquisitions when the opportunity arises.

Royston Hoggarth
Chairman
19 June 2023

> "It has been a promising year of both financial and operational progress and Intercede is now strongly positioned for further growth. With the release of FIPS201-3, US federal agencies now have a wider set of credential options, including PKI, FIDO, MFA as well as passwords, and this bodes well for the Group. To be even more successful, we need to remain disciplined in terms of how we allocate our resources, our capital and execute our investment plans.
>
> With the current macro-economic environment harder to assess and navigate, the Group will continue to be vigilant on its liquidity position and is well placed to make strategic acquisitions when the opportunity arises."

OUR MISSION

Intercede is a cybersecurity software company specialising in digital identities, for over 20 years. Global customers in government, aerospace and defence, financial services, healthcare, telecommunications, cloud services and information technology have trusted Intercede solutions' expertise in protecting their data and systems at the highest level of assurance.

It is our mission to help organisations protect themselves against data breaches by deploying secure digital identities simply, securely and at scale.

Our ongoing success is built on:

- Developing innovative, robust cyber security solutions that are shaped around the needs of our customers and their end users
- Adding value to our technology and commercial partners through a proactive, collaborative approach
- Maintaining an engaging and rewarding workplace for our colleagues that drives innovation
- Delivering sustained growth for our investors

OUR VISION

Our vision is to enable our customers to protect their systems and information by providing a suite of software products that are easy to use and deliver the highest levels of security.

Headlines

- Record Group revenues at £12.1 million
- Strong net profit of £1.3 million
- Net cash generation from operating activities of £2.9 million
- Basic EPS of 2.3p
- Completion of maiden acquisition, Authlogics Ltd ("Authlogics") in October 2022
- Integration of Authlogics on track
- Continued investment in product and code including internal IT infrastructure
- Clear strategic vision on M&A plans
- Strong and unleveraged financial position

	FY23 £ million	FY22 £ million	% Change
Revenue	**12.1**	9.9	22.2%
Gross profit	**11.7**	9.7	20.6%
Profit before Tax	**0.6**	0.3	100.0%
Net Profit	**1.3**	0.7	85.7%
EPS - basic	**2.3p**	1.3p	
EPS - diluted	**2.2p**	1.2p	
Gross Margin	**97.0%**	98.0%	-1.0%
Net Margin	**11.0%**	7.0%	57.1%
Cash and cash equivalents	**8.3**	7.8	6.4%
Net cash from operating activities	**2.9**	0.1	2800.0%
Deferred revenue	**7.5**	5.2	44.2%
Total Assets	**17.4**	12.9	34.9%
Total Equity	**7.0**	5.5	27.3%
Adjusted EBITDA	**1.3**	1.0	30.0%
Less:			
Amortisation of intangibles	**0.1**	-	
Depreciation of assets	**0.1**	0.1	
Right of use depreciation	**0.2**	0.2	
Acquisition costs	**0.2**	0.2	
Employee Share/Unit incentive & option plan charges	**-**	0.1	
Exceptional costs	**0.1**	-	
Operating Profit	**0.6**	0.4	50.0%

Revenue highlights for the year include:

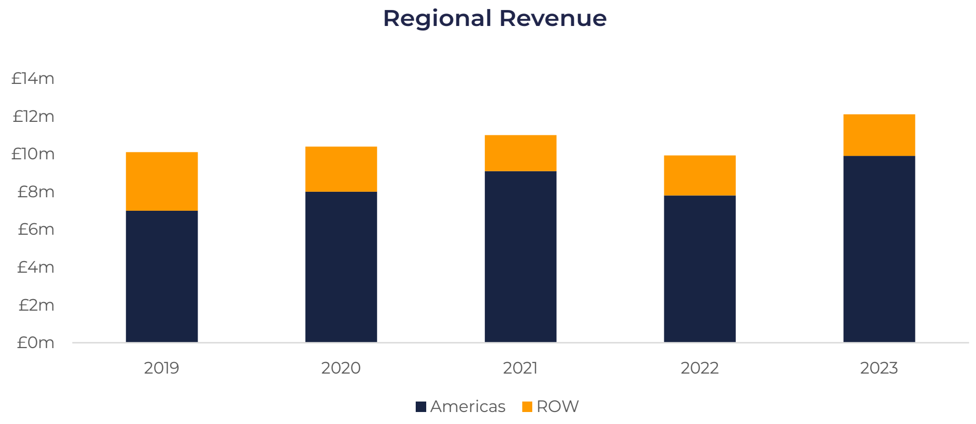
- Revenues for the year ended 31 March 2023 totalling £12.1 million were approximately 22% higher than last year (2022: £9.9 million) and a 13% increase on a constant currency basis
- Multiple MyID PIV licence orders from the US Department of State (DoS) for the MyID Identity Management System (IDMS) solution totalling $1.6 million. The same agency also placed Services orders with a value totalling $0.3 million. Linked to this sale is a third party embedded product which marginally impacted gross profit in the year
- Licence orders continued in the latter half of the year with sales to a telecommunications provider in the US, an energy company in the EU, new deployments for the UK government, and further new sales in UAE, Saudi Arabia and Oman
- Several significant customers have chosen to upgrade their existing MyID deployments including, but not limited to, a UK Government department, a US central bank and a key US government agency. A major US defence and consultancy contractor is upgrading to v12.6
- A $0.2 million follow-on order of professional services for a prestigious independent US Federal Agency that was won at the end of the last financial year. The deployment will leverage Intercede's technology partnership with Microsoft, by delivering PKI credentials into Microsoft Intune managed smartphones enabling sensitive data protection and secure access to agency systems
- A follow-on MyID Enterprise order from a US Federal agency tasked with intelligence and security services. Orders have been received to date for 75,000 device licences.

Operating Highlights

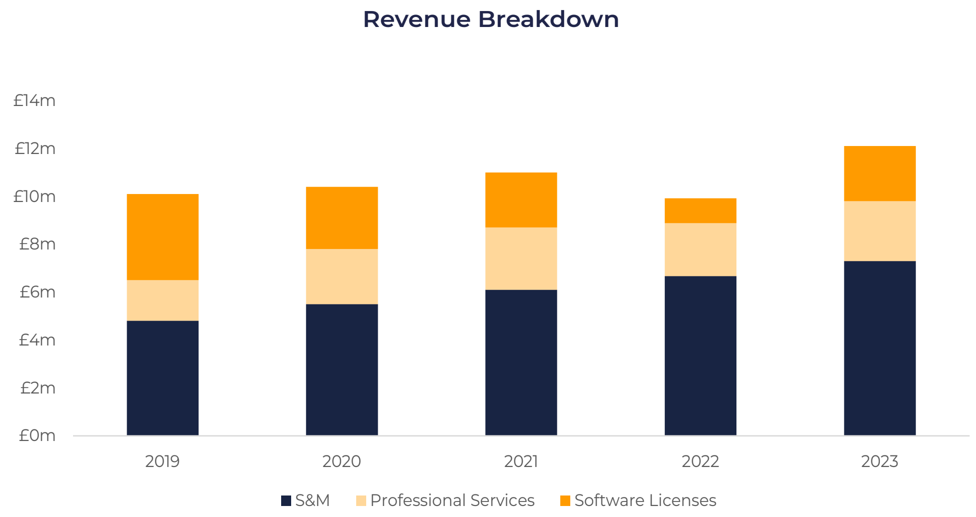
- Acquisition of Authlogics Ltd, a UK based company, with annual recurring revenues (ARR) of £0.5 million. It brings Multi Factor Authentication (MFA) and Password Security Management (PSM) capabilities to the Intercede Group. Integration plans are on track and a merged development road map enacted for FY24
- Increased investment in key departments of the Group including development & testing and product management
- The M&A programme continues, focussed on targets that add recurring revenues and have a strong industry and product logic
- A strategic review of the Group's IT infrastructure was conducted in the year and it has now commenced a deployment into the Microsoft cloud with the aim of increasing resilience, stability and scalability
- Continued upgrades of MyID with v12.6 and v4.2 for Authlogics MFA released at end of March 23
- The Group successfully maintained ISO 9001 and 27001 certification which now includes US operations.

Key Performance Indicators

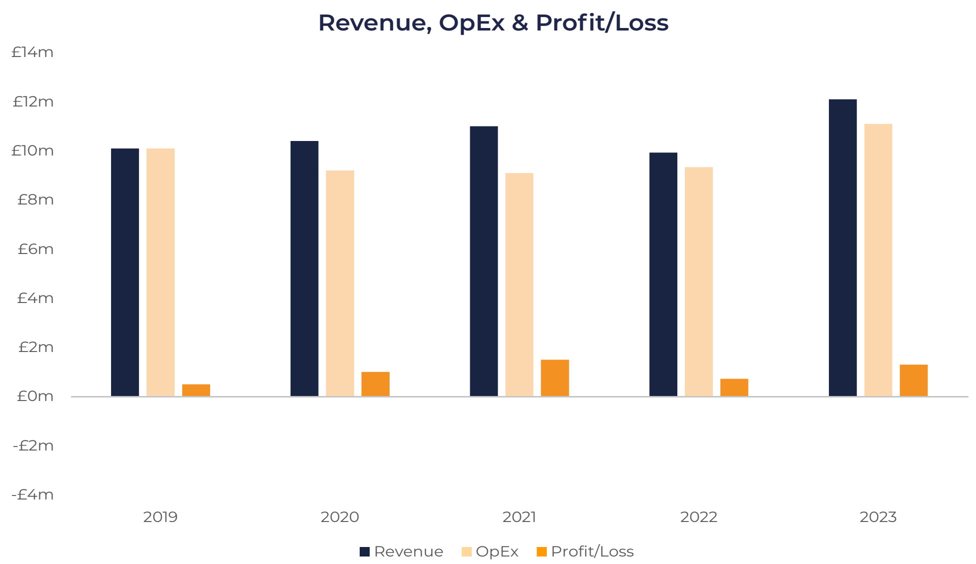
The US continues to represent Intercede's largest market with the Americas making up 82% of total revenues during 2023 (2022 79%). Key markets for Intercede in Europe and the Middle East have either grown or maintained revenue from previous years and with the addition of Authlogics we see opportunities in EMEA coming online.



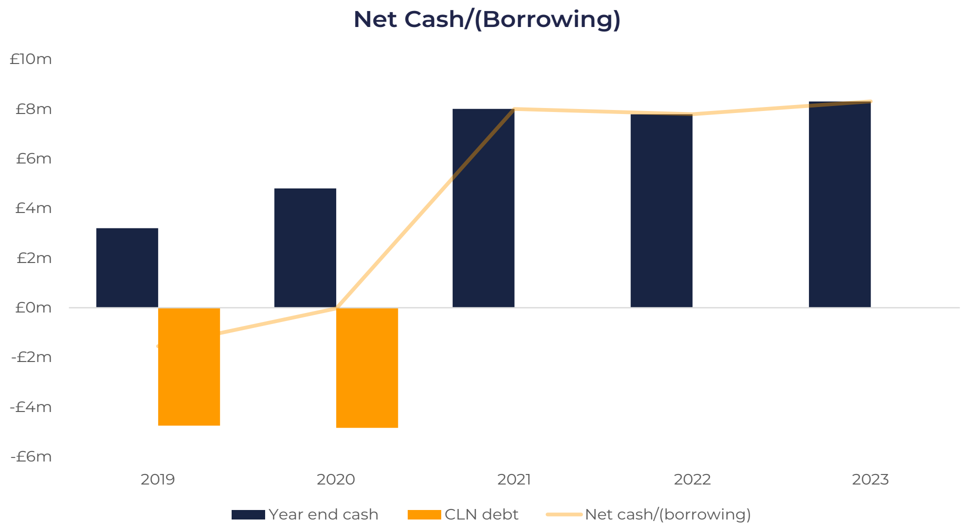
The last five years has seen progressive growth in recurring Support & Maintenance (S&M) revenues due to an increase in deployments and a loyal customer base that is resilient to churn. Software Licences revenue increased in the year and will have a beneficial impact in FY24. Further, Professional Services revenue grew reflecting customer appetite to upgrade to the latest release to take advantage of new features of MyID. This, in combination with a low rate of churn, is evidence that the quality of the MyID solution is Indisputable.



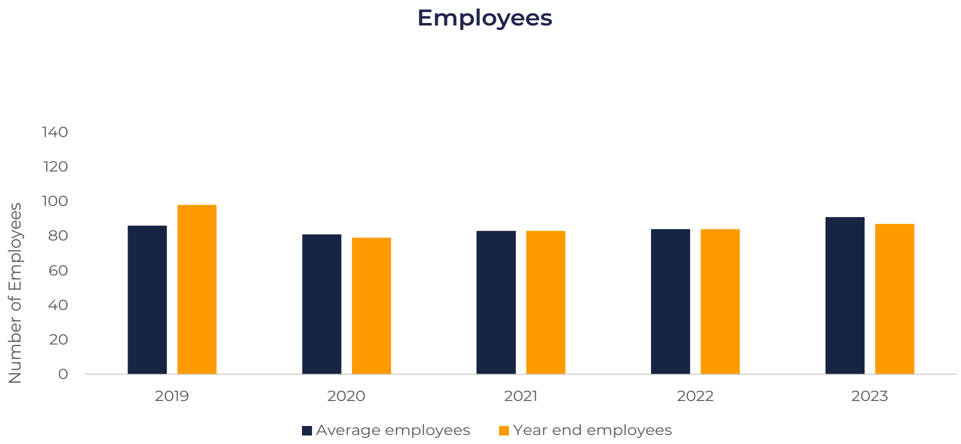
Higher Operating expenses (OpEx) in FY23 primarily reflected strategic investment in product development to continue the expansion of MyID, forecasted increased salary expense and new additions, commission payments with higher licence sales and general overheads relating to property costs. As a percentage OpEx was 92% of revenue (2022: 94%).



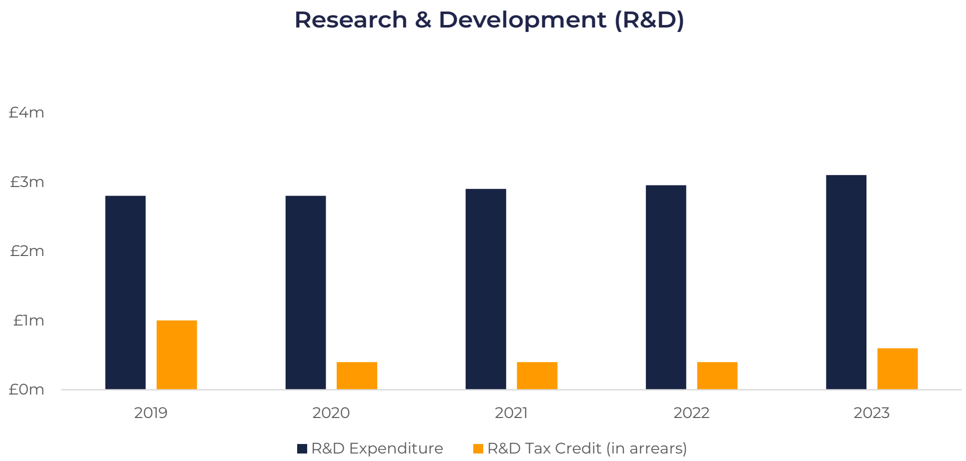
Following the successful early conversion and redemption of all convertible loan notes (CLNs) in February 2021, Intercede is debt free with a much strengthened financial position, providing a strong foundation for Phase Two of the Group's turnaround plan.



Employee numbers have stabilised and started to selectively increase again following the tight cost control that was applied as part of Phase One of the Group turnaround plan.



Expenditure on research and development (R&D) activities totalled £3.1 million (2022: £3.0 million). In accordance with the IFRS recognition criteria, the Board has continued to determine that all internal R&D costs incurred in the year are expensed. No development expenditure has been capitalised during the year (2022: £nil).



Group Profile:

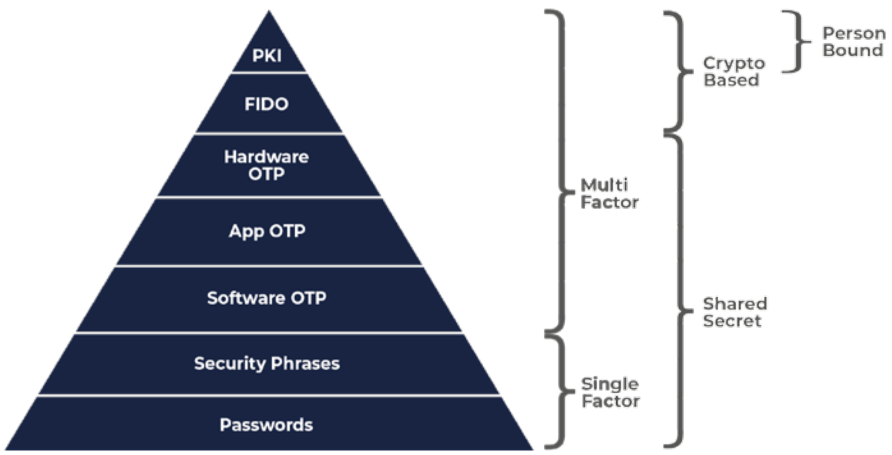
Intercede is a cybersecurity software company specialising in digital identities, its innovative solutions enable organisations to protect themselves against the number one cause of data breach: compromised user credentials.

For over 20 years, global customers in government, aerospace and defence, financial services, healthcare, telecommunications, cloud services and information technology have trusted Intercede solutions' expertise to protect their mission critical data and systems at the highest level of assurance.

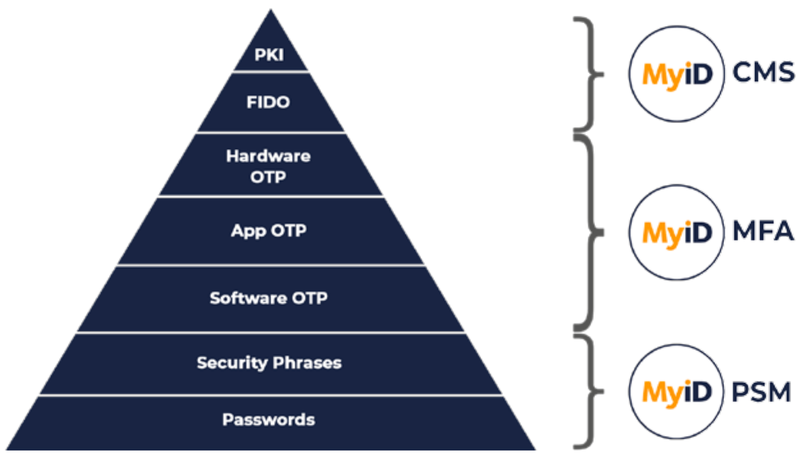
Products

The Intercede suite of products allows customers to choose the level of security that best fits their needs, from Secure Registration and ID Verification to Password Security Management, One-Time Passwords, FIDO and PKI. Uniquely, Intercede provides the entire set of authentication options from Passwords to PKI, supporting customers on their journey to passwordless and stronger authentication environments.

Authentication Pyramid



Stronger Authentication from Passwords to PKI



Our recent acquisition of Authlogics in October 2022, a leading authentication specialist operating in authentication pyramid levels such as Passwords, Mobile apps, OTP and MFA, allows the Intercede suite of products to be divided into four main areas, Password Security Management, Multi-Factor Authentication, Registration and ID Verification and Credential Management. All four sections are being integrated to provide a solution allowing customers to manage the full range of authentication options from Passwords through to PKI from a single pane of glass offering our customers cost and time savings. Customers will also be able to purchase each product as a standalone offering.

Password Security Management: MyID PSM

Powered by the world's largest actively managed Password Breach database with over 6 billion records, our MyID Password Security Management product allows companies to enforce strict password policy compliance, near real time breached password detection and mitigation, and perform security audits of passwords currently in use.

MyiD PSM

Multi Factor Authentication: MyID MFA

Our MyID MFA solution is easy to implement and rapid to deploy. It offers passwordless and deviceless authentication, supports cloud and on-prem and can work 100% offline. It supports push capabilities which have been developed to be push bombing/MFA fatigue resistant.

MyiD MFA

Registration and ID Verification: MyID ID&V

MyID® provides several Registration and ID Verification capabilities including Biographic data capture, fingerprint capture, facial biometric capture, ID document validation, background checks and one to many biometric matching for high assurance user enrolment complaint with US government standards.

MyiD IDV

Credential Management: MyID CMS

MyID CMS is the world's most complete credential management system on the market today. We partner with leading companies with FIDO and PKI devices to offer a best of breed product that is technology independent. We are integrated with multiple HSMs, CA, Smart Cards, Virtual Smart Cards and leading USB tokens such as Yubico, IDEMIA, Thales and Giesecke & Devrient. MyID specialises in end-to-end lifecycle management of all credentials, Key Management, Issuance Policies (able to offer central and local issuances) and full audit and reporting. MyID is the premier CMS to offer full lifecycle management of the entire Yubikey Family whether for PKI or FIDO.

MyiD CMS

Intercede Capabilities

Password Security Management

- Compromised password check
- Password Policy
- Policy enforcement

Multi-Factor Authentication

- FIDO
- Hardware OTP
- Push Notifications app
- Software OTP
- Deviceless PIN Grip OTP
- OTP over SMS

Credential Management

- Issuance Policy
- Central and Local issuance
- Lifecycle Management
- Audit and Reporting
- Key Management
- PKI Integration

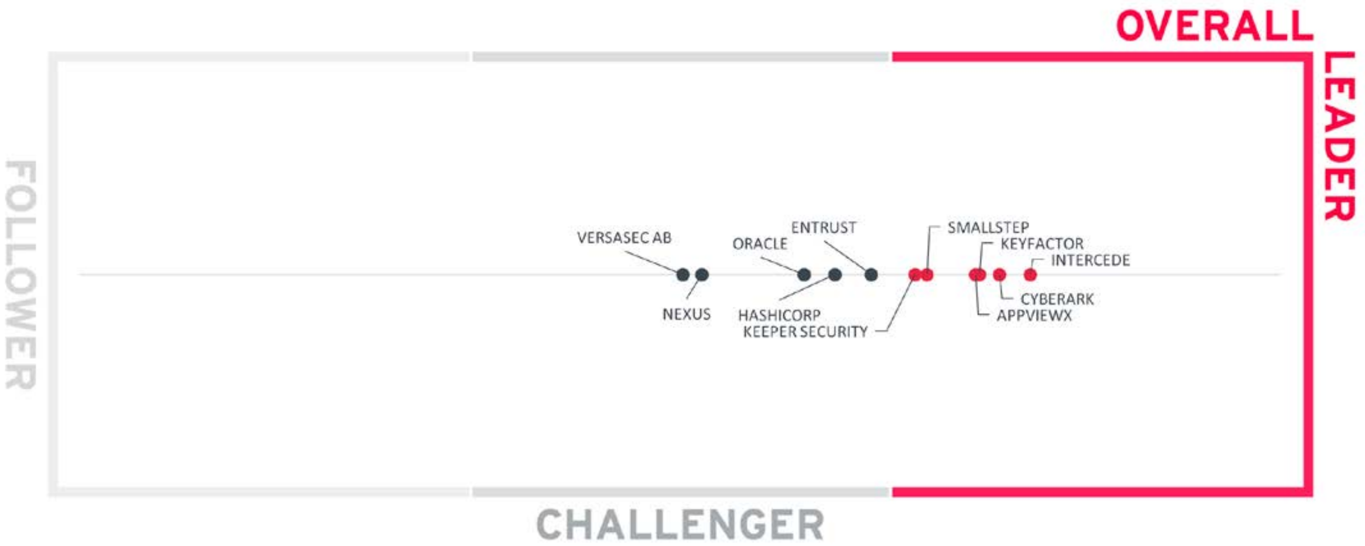
Registration and ID Verification

- Biographic data capture
- Fingerprint Capture
- Facial biometric Capture
- ID Document validation
- Background checks
- 1:many biometric matching

Selected Customers

Product Leadership

In April 2023, Intercede was delighted to be named an overall leader by KuppingerCole Analysts AG within their 2023 Secrets Management Leadership Compass. Our MyID product was also praised for its Product Leadership and the Innovation Leadership we bring to the industry through feedback from our customer base. The full report can be downloaded from the Intercede website at the following address: https://www.intercede.com/KuppingerCole-secrets-management-report-download/.



Technology Partners

Intercede is technology agnostic allowing our customers to select the right technology integrations to meet their desired project outcomes. Intercede partners with many of the leading providers of USB Tokens, Smart Cards, Virtual Smart Cards, Hardware Security Modules, Certificate Authorities, Image and Fingerprint capture such as Yubico, Thales, Entrust, HID, Microsoft and Digicert. Ensuring Intercede can roll-out Digital Identity projects efficiently and smoothly as well as being able to integrate into all major IAM providers such as ForgeRock, SailPoint, Okta and Microsoft.

Integration and Reseller Partners

Through our Connect Partner Programme, Intercede have partnered with the leading Integration and Reseller partners in the Industry such as Amiviz, Certipath, Cryptas, Guidehouse, Shifra and Widepoint. These partners allow us to compete for an increasing number of opportunities every year and are positioning Intercede solutions as the product suite for Governments and large & medium sized enterprises.

Case Study 1

BeyondTrust

BeyondTrust US Privileged Access Management company looks to Authlogics for password compliance and security

THE CHALLENGE

BeyondTrust wanted to find a password management solution for its internal IT infrastructure that could be deployed company wide. Crucially, the solution needed to adhere to the latest NIST SP 800-63B Digital Identity Guidelines and be non-intrusive to the end-users as well as work solely through Microsoft Active Directory domain controller rather than the endpoints.

THE SOLUTION

The answer was Authlogics Password Security Management (PSM) software, providing a simple and comprehensive way to ensure that all passwords comply with the latest regulations and that they haven't already been compromised.

Today, when a BeyondTrust employee attempts to reset their password, they do so use an intuitive online self-service portal. When they propose a new password it is automatically and instantly assessed for adherence with the NIST standard. Simultaneously, it is cross-referenced against the Authlogics Password Breach Database - a continuously growing cloud-based blacklist of over 7 billion credentials which have been breached, including over 2 billion passwords.

THE BENEFITS

- Quick and easy on-boarding of personnel, even with 500 new BeyondTrust employees
- Centralised and highly scalable Active Directory domain controller
- Complete confidence in users having fully compliant passwords that are not compromised
- No need for help-desk intervention and little maintenance
- An essential element in safeguarding employees, infrastructure and assets

CUSTOMER FEEDBACK

"With PSM, we can have absolute employees working anywhere in the world, are using fully compliant passwords that have not been compromised, whether through direct hacks, phishing or malware."

Michael Abadeer, Senior Security Engineer - BeyondTrust

Case Study 2

Access to secure facilities using the Transportation Worker Identification Credential (TWIC)

THE CUSTOMER

The Transportation Security Administration (TSA), a component of the United States Department of Homeland Security (DHS) is the federal agency responsible for security in all modes of transportation. The Transportation Worker Identification Credential (TWIC®), is required by the Maritime Transportation Security Act for workers who need access to secure areas of the nation's maritime facilities and vessels.

THE CHALLENGE

TSA needed to issue a tamper-resistant biometric credential to maritime workers requiring access to secure port facilities and vessels. To obtain a TWIC, an applicant must provide biographic and biometric (fingerprint) information, sit for a digital photograph, and successfully pass a security threat assessment conducted by TSA. A key customer requirement was to follow US Government Homeland Security Presidential Directive 12 (HSPD12) standards to achieve interoperability and implement best practice security processes. Requirements included:

- Use of FIPS 201 (PIV) technology and processes
- Combined centralised production with local card activation
- Over 160 distributed enrolment and activation centres throughout the US
- Integration with central card personalisation bureau for secure printing
- Fingerprint verification of applicant prior to card activation
- Integration with central identity management infrastructure
- Multi-application card combining contact and contactless technology
- Strong authentication of operators and non-repudiation of operator actions

THE MYID SOLUTION

MyID® is passed registration data from the IDMS and formats it into a card personalisation request; this is forwarded to the personalisation bureau. Printed cards are locked and sent to activation locations. The receipt of a card batch is used to trigger a notification to the applicant that their card is ready for activation. The applicant visits an activation location, places their card into a MyID activation station and follows a simple self-service workflow that requires biometric verification before the card is unlocked, personalised with certificates, and activated for use. MyID now manages millions of identities for the scheme.

SOLUTION BENEFITS

- Fully FIPS 201 accredited solution
- Production of PIV compatible credentials
- Smart card PKI security for operator actions
- Biometric authentication of applicants for high security
- Multi server deployment for high availability
- Load balanced deployment for high volume throughput
- Simple web-based workflows for maximum ease of use
- Monitoring of card production status from a single console
- Bureau high security printing combined with on-card key generation for maximum security.

The year in review

The Group entered FY23 with clear goals and a key strategic aim of growth, both organically and inorganically. It has successfully delivered on this, both in terms of revenue growth and by completing our first acquisition. FY23 has been a volatile and uncertain year in terms of geo-political instability and it is therefore testament to the resilience of the Group that accelerated revenue growth was delivered whilst also retaining a focus on cost control.

Market Opportunity and Growth Strategy

Intercede's MyID platform is a leading credential management system (CMS) and identification and verification (ID&V) solution that integrates and manages a broad range of PKI (Public Key Infrastructure) and FIDO (Faster Identity Online) technologies. These are very attractive, but niche, market segments which meet the needs of large organisations, such as Aerospace & Defence contractors, and governments who are prepared to pay for military grade security and can cope with the complex infrastructure.

For Intercede this is both a blessing, due to the potential for large initial one-off licence orders and steady recurring Support & Maintenance, but it can also present a challenge as the timing of contract awards are invariably outside of Intercede's control.

For the growth to be sustained Intercede needs to expand faster and broaden MyID's functionality as it moves down the authentication pyramid and increase its addressable market. This lies at the heart of Phase Two of the turnaround plan.

After considering options such as partnering and further internal development, the Board decided that an acquisition approach would accelerate time-to-market as well as leveraging new IP for existing clients and partners and extending the target account market. On 10 October 2022 Intercede was pleased to announce the acquisition of Authlogics, a Multi Factor Authentication ('MFA') and Password Security Management ('PSM') software vendor which enables the Group to offer its customers and prospects solutions that span the entire authentication pyramid as referenced earlier in Group profile.

Strategy

Intercede continues to focus on its '6C strategy', centred around Colleagues, Customers, Channels, Code, Cash and more recently, Corporate Development. In the Phase 2 of its turnaround, the Group will actively explore buy-side M&A, taking time to ensure the right strategic fit(s) to ensure scalability and accelerated revenue growth.

1. Colleagues

   It is no surprise that we start with Colleagues: they are the main asset we have who in turn drive the other "Cs". The cybersecurity employment sector has shown two distinct phases in the financial year; in the earlier phase we experienced a temporary increase in employee churn rates and in the latter, as larger technology companies downsized and employment market cooled, we have seen recruitment opportunities increase as well as staff who had previously left wanting to rebound.

   As stated in previous reports, Intercede's innovation roadmap can leverage many years of internal development expertise and the Group therefore places a high degree of focus on its colleague strategy as it strives for market-leading staff retention.

   As at 31 March 2023 colleagues totalled 94 (2022: 87), while the average number of colleagues during the period was 91 (2022: 84). The attrition rate (average number of leavers over the year as a ratio of average headcount over the year) rose to 10% compared to 7% last year. The increase in attrition was not unexpected and was factored into the Group's hiring strategy and pay and bonus policy. Intercede and its Board understands the issues everyone is facing with the cost-of-living crisis, has listened to the Employee Working Group (EWG) and taken onboard feedback from its more recent Employee Satisfaction Survey. The Group made a one-off payment of a cost-of-living allowance in November 2022 and discretionary bonus payments have been maintained for eligible colleagues.

2. Customers

The wins generated at the end of FY22 created momentum that has carried into FY23 and resulted in revenue for FY23 that is 22% higher than the prior year on a reported basis. In particular, follow-on licence orders from existing customers have driven the growth. Although the seven new customers signed up during the year is broadly similar to last year (eleven new customers) the level of attrition remains very low with renewal rates of 98% compared to 99% in the prior year.

3. Channels

Intercede continues to invest in its Connect Partner Programme which deals with resellers as well as technology partners. Over the period relationships were further strengthened which resulted in new pipeline opportunities, partner campaigns and most importantly driving the strong H1 revenue growth. As reported in the Customers section above, licence sales have driven the overall revenue growth compared to the prior period. Partner relationships play an increasing role in these licence sales and generated 91% of all licence software sales in FY23 (2022: 83%).

Our technology partners have confidence that as security standards change, and new technologies become available, MyID, as a product portfolio, is designed to cope with these changes both in order to support newer devices and systems, but also to aid the transition between them ensuring the ongoing security of system access as technology changes are implemented.

Whilst the resellers are focused on delivering complete end to end solutions to their clients, it is paramount that MyID has a rich eco system of proven technology partners and integrations which enables an out-of-the-box approach to many complex use cases.

The addition of Authlogics's partner and channel footprint, with no overlap with Intercede, further enhances the Group's geographic reach as well as providing new cross and upsell opportunities.

4. Code

Code for Intercede's software products is written and managed by a large in-house UK based team of expert and experienced software designers, developers & testers, enabling Intercede to provide market leading digital identity solutions at the level of security our customers require. During this financial year, Intercede has continued to invest in its product portfolio in accordance with its core development principles:

- To solve real world problems, meeting constantly evolving Customer and Partner needs
- To create and maintain modern software products based upon market leading technology
- To broaden the addressable market with new and competitive functionality
- To deliver secure solutions enabling our customers to protect sensitive systems and data.

MyID PSM

Intercede MyID PSM software enables customers still using passwords to ensure that they are as secure as they can be, with comprehensive user-friendly policies, intelligent password audits, and continuous assessment against the world's largest database of compromised credentials.

New features included:

- Updating the password breach database to contain over 6 billion records currently, makes it the largest database of known compromised passwords in the world. This enables our customers to ensure passwords they are using are not known to be compromised as part of an online password breach
- Improved user experience in the self-service portal when a shared password is found
- Live monitoring of public email address breaches
- Support for self-service password reset directly from the user's desktop

MyID MFA

Intercede MyID MFA software enables customers to use stronger authentication to anything from anywhere, by delivering modern authentication, that is easy to use, deploy and manage.

New features included:

- A mobile push notification app with best of breed ease of use, supporting biometric authentication
- Enhanced security and user experience with provision of context-based information in the mobile app including a summary of the system being accessed and location of the request
- Modern protection against push fatigue, enhancing phishing-resistance
- Support for offline logon from the mobile app
- Provision of a real-time dashboard for web-based reporting from the management console

MyiD CMS

Intercede MyID CMS software enables customers to issue and manage high-assurance credentials including PKI and FIDO simply, securely and at scale, enabling our customers to comply with regulations and deploy phishing-resistant authentication to protect their systems and data against breach.

New features included:

- An installation assistant helping customer verify and configure environments prior to the CMS deployment, reducing costs and skill required for installation
- Continued modernisation of the operator interface improving the user experience resulting in increased operational efficiency and reduced training times
- An enhanced set of APIs and SDK provided with the product, providing partner and customers with the tools they need to integrate the CMS within a wider identity ecosystem
- Additional batch operations, delivering operational efficiency for large customer deployments
- Support for the latest US government FIPS 201-3 standard, ensuring our customers remain compliant with federal government security regulations
- Enhanced integration with Microsoft Intune and VMWare Airwatch MDMs (Mobile Device Management Systems) ensuring devices are complaint with security policies in advance of delivering credentials
- Support for the latest FIDO device attestation standard, ensuring the MyID CMS remains at the forefront of FIDO for the enterprise solutions
- Support for newer versions of partner technologies, including Yubico, Keyfactor, Entrust, Thales, IDEMIA and Microsoft.

MyiD IDV

Intercede registration and identity verification software enables customers to onboard users at the highest levels of identity assurance, compliant with US FIPS 201 standards. The solution is fully integrated with the MyID CMS for maximum security and ease of deployment.

New features included:

- Modernising the user interface to be browser independent
- Improving the user experience to reduce training costs and time to deployment
- Supporting electronic validation of identity documents (e.g. passport or driving licence), enhancing the security of the onboarding process
- Providing secure export of fingerprint data to enable simple integration with external background identity checking processes

From a strategic perspective, Intercede's initial aim is to broaden the addressable market with new and competitive functionality and the acquisition of Authlogics represents a leap forward in this regard.

It is Intercede's intention to sell the acquired products standalone and create a product portfolio offering customers high, medium and low authentication depending on their needs and circumstances. The development team has commenced integration of the products so that a customer can manage any form of authentication they need used under a 'single pane of glass' or migrate users from one form of authentication to another. The Group's product leadership was recognised by a recent KuppingerCole report as referenced earlier.

5. Cash

Treasury and cash management is a significant pillar and crucial asset for the Group. It operates a tight working capital model and aims to maintain sufficient head room to ensure operations can continue in potentially difficult global macroeconomic environments.

The Group's Daily Sales Outstanding (DSO) has improved from 67 days (2022) to 63 days (2023) which has helped to generate a significantly improved cash inflow from operations during the period.

The Group had gross cash balances of £8.3 million as at 31 March 2023 compared to £7.8 million held at 31 March 2022. This is after a cash outflow following the acquisition of Authlogics in October 2022 for an initial consideration of £2.0 million and related acquisition costs expensed to the Income Statement of £0.2 million.

6. Corporate Development

Corporate Development is a key strategic component to drive incremental revenue growth, IP acceleration as well as market access whilst efficiently utilising the Company's robust balance sheet. Following an intensive market assessment over the last 12 months as well as the strategic intent of "moving down the authentication pyramid", the Group was pleased to report its first acquisition, Authlogics as announced in October 2022.

In the section '4. Code' above the acquisition of Authlogics was described as enabling the Group to address the entire authentication pyramid by giving customer access to a portfolio of products depending on whether their users need high, medium or low authentication. Depending on a client's specific use case, Intercede can now offer an end-to-end solution, from Passwords to PKI.

Whilst the immediate operational activities are now focused on a seamless integration of Authlogics, the corporate development activity has firmly maintained its pace and further targets are being assessed against authentication side and remaining sides of the pyramid. The Group will maintain business as usual and maintain diligence in its M&A approach.

Financial Review

Income Statement

Revenue and operating results

The Group's revenue from continuing operations increased by 22% to £12.1 million (2022: £9.9 million) and gross profit increased by 21% to £11.7 million (2022: £9.7 million). Gross margin decreased slightly from 98% to 97% as a third-party product was part of a significant licence sale in the year.

The Group's operating profit was £0.6 million (2022: £0.4 million), after non-cash depreciation charge for property, plant and equipment in the year of £0.1million (2022: £0.1 million), a right-of-use depreciation charge of £0.2 million (2022: £0.2 million) and amortisation costs of £0.1 million (2022: £nil). Acquisition costs for the period were £0.2 million (2022: £0.2 million) with exceptional expense of £0.1 million (2022: £nil), relating to exiting CFO expense overlapping incoming. Operating expenses increased by 19% to £11.1 million (2022: £9.3 million).

Tight cost control continues to be a focus for the Group in conjunction with considered project expenditure to support revenue growth. Meanwhile the Group continues to recognise the achievements of its staff with pay rises and performance-related rewards. Staff costs represents the highest area of expense representing 81% of total operating costs (2022: 84%). Intercede had 94 employees and contractors as at 31 March 2023 (2022: 84). The average number of employees and contractors during the period was 91 (2022: 84).

The statutory profit before tax for the period was £0.6 million (2022: £0.3 million) and profit for year was £1.3 million (2022: £0.7 million).

Taxation

The Group has a tax credit of £0.7 million for the year due to amounts received from HMRC in respect of R&D claims, less US corporation tax payable (2022: tax credit of £0.4 million). The Group has carried forward unused tax losses of £8.8 million. Intercede makes an R&D Claim as part of its annual tax return and can choose whether to carry taxable losses forward or to request a cash repayment from the UK government.

Finance Income

Net finance income was £0.1 million (2022: expense of £0.1 million) reflecting increased interest income due to rate rises.

Earnings per share

Earnings per share from continuing operations in the year was 2.3 pence for basic and 2.2 pence for diluted (2022: 1.3p pence for basic and 1.2p diluted) and was based on the profit for the year of £1.3 million (2022: £0.7 million) with a basic weighted average number of shares in issue during the period of 57,939,548 (2022: 57,265,739 shares). For diluted the weighted average number of shares in issue during the period was 60,595,485 (2022: 59,413,261).

Dividend

The Board is not proposing a dividend (2022: £nil).

Financial Position

Acquisition of Authlogics

In early October 2022, the Group acquired Authlogics Limited ("Authlogics"), a Multi Factor Authentication ('MFA') and Password Security Management ('PSM') software vendor, for initial consideration of £1.7 million (adjusted to £2.0 million after repayment of debt held by Authlogics) plus further deferred, conditional and staged earnout payments estimated to be £0.5 million. The Group has consolidated the results since acquisition under IFRS3, applying the purchase method.

Assets

Non-current assets of £3.6 million comprise goodwill of £2.4 million (2022: £nil), identifiable intangibles of £0.8 million (2022: £nil), property, plant and equipment of £0.1 million (2022: £0.1 million) and IFRS 16 right of use assets of £0.2 million (2022: £0.4 million).

Trade and other receivables increased by £0.9 million to £5.5 million (2022: £4.6 million) reflecting a higher level of customer orders towards the end of the year.

Liabilities

Current liabilities increased by £2.7 million to £9.5 million (2022: £6.8 million) reflecting increased deferred revenue at the year end of £7.0 million (2022: £5.0 million).

Non-Current liabilities increased by £0.3 million to £0.9 million (2022: £0.6 million), which also reflects increased deferred revenue at the year end of £0.6 million (2022: £0.2 million). This reflects the inclusion of Authlogics which is able to negotiate longer renewal terms with customers.

Contingent Consideration

Included in current and non-current liabilities are contingent consideration amounts due on the acquisition of Authlogics. These amounts have been based on the reasonable estimates by management of Authlogics achieving its recognised revenue targets for the calendar year's ending June 2023 and June 2024. The Group's current and non-current liabilities include £0.3 million and £0.2 million respectively for the contingent consideration liabilities.

Capital and Reserves

Total equity increased to £7.0 million (2022: £5.5 million), reflecting the profit for the year and shares issuance in September 2022. Accordingly the Accumulated deficit account for the year decreased to £0.5 million (2022: £1.8 million).

Liquidity and capital resources

The Group remains in a good financial position, with gross cash balances of £8.3 million as at 31 March 2023 compared to £7.8 million held at 31 March 2022. During the second half of the year, there was a net cash outflow for investing activities of £2.2 million (2022: less than £0.1 million) mainly due to the £2.0 million acquisition of Authlogics.

The net cash inflow from operating activities rose significantly to £2.9 million (2022: £0.1 million) which reflects an increased profit for the year, good management of working capital movements and a bigger inflow from deferred revenue thanks to the increase in support and maintenance. The increase of this recurring revenue stream is underpinned by strong licence orders in the year.

The Group had no debt at the year end (2022: £nil).

Outlook

This has been an encouraging and successful year for the Group. However, to maintain and sustain its current momentum, it needs to continue to invest in its colleagues, IT Infrastructure, product development and sales and marketing.

We embark in to FY24 with good visibility on the pipeline, known and fully resourced internal critical investments and with a clear road map on our acquisition strategy. As mentioned earlier, the focus is on growth and execution of strategic plans to deliver it.

By order of the Board

Klaas van der Leest Chief Executive Officer 19 June 2023	Nitil Patel Chief Financial Officer

Engaging with our key Stakeholders

Section 172 of the Companies Act 2006 requires Directors to consider the interests of stakeholders as part of their decision-making process.

This Statement should be read together with the Strategic Report (see pages 18 to 22) and the governance section. Examples of how the Board engages with stakeholders are explained throughout this Annual Report and below:

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

We are doing this by:

a. Following on from the successful delivery of Phase One (Sustainability) the Group has now embarked on Phase Two with overarching themes of scalability and consistent revenue growth. The expanded 6C strategy provides a strong foundation for growth particularly winning new customers and growing recurring revenue streams from existing customer relationships. The inclusion of Corporate Development to make the 5C strategy into a 6C strategy also addresses growth through a focus on acquiring quality companies with the right strategic fit(s) to ensure scalability and accelerated revenue growth.

b. We engaged with colleagues during the year via a comprehensive and detailed survey, initiated a Company wide Kick Off (CKO) in April 2022 and the Group originated a cost-of-living payment during the year to all employees. Further, the Group is using technology to enhance the employee engagement in the Group via online collaboration, appraisal and training modules.

c. Customers and Channel partners are focal point of the Group's 6C strategy as discussed in detail within the Strategic Report on pages 18 to 22.

d. We recognise our impact on our local community and the environment with the aim of developing an enhanced ESG strategy for FY24 onwards. Concern for the environment and promoting greater sustainability are important considerations for the Group and how we conduct business. We aim to offset any negative environmental impact of our activities through initiatives such as:

    - Operate an electric vehicle car scheme to help colleagues access brand new zero emission electric vehicles
    - Monitor utilisation of our property portfolio to minimise our energy use with LED lighting and maximise utilisation by consolidating or relocating to smaller offices as required
    - Promotion of recycling and waste reduction programmes and where IT equipment cannot be recycled, we track products which may need safe disposal in the future
    - Engage with community and charity initiatives. We maintained our support for the local food bank during the year
    - We have already purchased 200 saplings with 160 of these planted in the UK and 40 in the US, which will offset approximately 0.6 tonnes of CO_2 per tree over the coming 40 years.

e. In addition to lending full support to the maintenance of the Group's ISO 9001 & ISO 27001 status, the Group deploys an extensive policy and process environment with a dedicated principal technical consultant.

f. The Directors meet shareholders frequently via online and in person meetings to listen and take on feedback, including balancing financial growth strategies with returns on those investments. We have strengthened our governance and increased our Board diversity in the year.

The Directors are fully aware of their duty to promote the success of the Group, for the benefit of all stakeholders, in accordance with Section 172 of the Companies Act 2006.

Managing risks and uncertainties

Principal Risks and Uncertainties

Like all businesses, Intercede operates in an environment that is not free from risks or uncertainties. The nature and complexity of the services the Group provides can present technical challenges that carry a certain element of commercial risk, and it is naturally exposed to external market, geopolitical and compliance related risks that are not necessarily within its control. Intercede works diligently to identify, monitor and mitigate known risks and uncertainties, as best it can.

Sector and Market Risk

- The Group operates in a vastly complex and competitive technological environment so the business will be negatively affected if it does not enhance its product offerings and/or respond effectively to technological change. Intercede's main market currently is in the US Federal environment which is the largest for its PKI/CMS offering and is subject to timing and award delays.

  This risk is mitigated by ongoing investment in research and development, enhanced product road map with constant account and client management. The Group also releases quarterly updates to its flagship MyID CMS product.

Impact	**4 out of 9**	**Medium**

Global Environment

- The Group conducts business globally, both geographically and by sector, so there is a risk that territory and global macro-economic conditions (including the impact of the Ukraine conflict) may result in one or more of these markets being adversely affected and the revenues of the business impacted accordingly. With inflationary increases the ability to pass on price increases can be limited depending on the market, competitor pricing strategies and clients.

  This risk is mitigated as best the Group can, both through the long-term nature of customer relationships and the diversification that results from operating in multiple markets as well as the increased focus on cyber security. Furthermore, the addition of Authlogics expands this diversification. Against a backdrop of the geopolitical situation in Ukraine, the Group is experiencing increased demand from certain non US countries as a result of security posture alignment with the US.

Impact	**6 out of 9**	**Medium**

Business Continuity and IT Infrastructure

- Management has assessed the requirements and 'fit for purpose' capabilities of the Group's business continuity and disaster recovery plans together with its current IT infrastructure. The risk has been evaluated as high.

  The risk is planned to be mitigated over the next 12-24 month period with the migration of the majority of the IT infrastructure into the cloud. This will enable increased resilience and enhanced business continuity capabilities.

Impact	**9 out of 9**	**High**

Regulatory Environment

- Technology companies are exposed to constant changes to regulations, intellectual property infringement and piracy. Although changes can be positive, others can be negative which could impact on the Group's performance and outlook.

  The Group mitigates this by market knowledge, enhanced collaboration with our clients, suppliers and partners. It has yearly Client Advisory Board meetings in the US and Europe and follow proposed regulatory changes closely.

  The Group rigorously defends its intellectual property in the primary jurisdictions within which it operates.

Impact	**4 out of 9**	**Medium**

People

- The Group's performance is largely dependent on the experience and expertise of its employees. The loss or lack of key personnel or ability to recruit is likely to adversely impact the Group's results.

  To mitigate this risk, the Group aims to put in place appropriate management structures and to provide competitive remuneration packages, attractive benefits, career progression and staff engagement to retain and attract key personnel.

Impact	**4 out of 9**	**Medium**

M&A and Integration

- All M&A transactions carry a significant level of risk and uncertainty with an impact that could be far reaching and ultimately costly if not managed correctly.

  To mitigate this the Group operates a strict criteria of assessment, high level of quality due diligence and vigorous and detailed integration plans.

Impact	**4 out of 9**	**Medium**

Board of Directors

Royston Hoggarth - Non-Executive Chairman

Royston Hoggarth is currently Chair of Intercede PLC, Cirrus Response Limited and Stellar Omada Limited. He is a non-Executive Director of Cellhire Limited, an advisor to the NEC Corporation and NEC Software Services Limited. He is also Chair of England Hockey.

He has held a range of Executive and Board Director roles with Private Equity backed, bank backed and publicly listed companies including IBM, Logica PLC, Cable & Wireless PLC, BT PLC, Hays PLC, Bluefin Solutions Limited, Northgate PS Limited, Xchanging Limited, Arkessa Limited and Innovation Group Limited. He was also a Venture Partner at Wellington Partners.

He was appointed a Non-Executive Director of Intercede on 5 August 2002.

Tina Whitley - Non-Executive Director

Tina is the Chief Executive Officer of NEC Software Solutions UK and is responsible for the Group's overall strategic development and operation. She joined NEC in 2016 having previously been at the Capita Group for 7 years and was the MD of the SIMS, Higher Education and Libraries businesses on departure to NEC.

A proven and inspirational business leader with extensive experience across the Information Technology sector. She has directly overseen teams across all disciplines, including sales, marketing, procurement, operations, product management, technical services, HR and finance.

She is passionate about the customer experience, building excellent relationships and ensuring exemplary delivery. Developing people and building teams is key and she manages operations rigorously, identifying high performers, stretching their capabilities effectively improving the Group's overall performance. This approach has proven to be successful in both the UK and Internationally including multi-cultural environments across Europe, the Middle East, Africa and India. She was appointed a Non-Executive Director of Intercede on 1 July 2022.

Charles 'Chuck' Pol - Non-Executive Director

Chuck Pol served as Chairperson and President of Vodafone Americas from 2013 to 2017, during which time he built both a fixed and mobile capability, whilst also helping to develop a business model and applications for the Internet of Things ("IoT").

Prior to Vodafone Americas, Chuck held senior roles at BT Americas including Chief Operating Officer and President. On leaving BT in 2008, Chuck was President of BT Global Financial Services where he was responsible for BT's relationships with the top 40 global investment banks.

He was appointed a Non-Executive Director of Intercede on 1 June 2017 and has taken on the role of Non-Executive Chairman from 28 March 2018 until July of 2022.

Jacques Tredoux - Non-Executive Director

Jacques Tredoux is the Chief Executive of Tredoux Capital Limited, a company authorised by the Financial Conduct Authority to provide corporate finance advisory services. Prior to establishing Tredoux Capital Limited, he was the Chief Executive Officer of the Credo Group (UK) Limited, a group of companies in London that provides wealth management services. Members of the Credo Group have provided corporate finance and fundraising assistance to the company since before its admission to AIM. Jacques qualified as a lawyer in 1988 in South Africa, and practiced at Edward Nathan & Friedland Inc and Clifford Chance.

He was appointed a Non-Executive Director of Intercede on 31 March 2006.

Rob Chandhok - Non-Executive Director

Rob Chandhok has more than 20 years' experience in senior commercial technology and internet services roles.

Rob has served in senior leadership roles in consumer electronics companies and in start-ups related to the internet of things. Prior to this, he performed a series of senior leadership roles at Qualcomm where he led new technology initiatives and managed relationships with the world's largest software companies.

He was appointed a Non-Executive Director of Intercede on 14 June 2019.

Klaas van der Leest - Chief Executive Officer

Klaas van der Leest is an experienced executive with extensive sales, marketing, business development and general management experience in IT and IT services. He has significant international knowledge and experience as a result of various roles with remits across EMEA, Asia-Pac and North America.

Klaas has worked for a number of large and small, quoted and privately-owned organisations in market leading and turnaround situations including CA Technologies, Intelecom UK, Amulet Hotkey, Global Crossing, Attenda and Logica. He has proven expertise in the development and execution of national and international sales growth, 'go to market' initiatives and customer focused expansion strategies.

Klaas has a master's degree from the Cranfield School of Management. He also is a Chartered Marketer as well as a Fellow of the Chartered Institute of Marketing. He was appointed Chief Executive of Intercede on 10 April 2018.

Nitil Patel - Chief Financial Officer

Nitil has been a CFO and a plc board member since 2001. Recently he was the interim CFO at D4t4 Solutions plc (2021), which helps global enterprises derive value via Celebrus, the company's flagship first party product suite. From 2016 to 2020, he was the CFO at Dods Group plc (now renamed Merit Group plc), a leading technology company specialising in data, business intelligence and media delivering content to more than fifty countries across six continents.

Before Merit, Nitil was CFO of multi-media content creator Ten Alps plc (rebranded Zinc Media plc) from 2001 to 2016. During this time, Nitil managed three divisions of the group, driving growth both organically and through strategic acquisitions. He was a key member of the team from the very start of Ten Alps in 1999 as Finance Director and was responsible for its listing on AIM in 2001.

Nitil is a fellow of the Institute of Chartered Accountants in England and Wales. He was appointed Chief Financial Officer of Intercede on 27 July 2022.

Introduction to Corporate Governance from the Chairman

Dear Shareholders,

We are always aiming to enhance our governance, reporting and visibility of the Group, adhering to agreed codes that address the needs of the Group. I am, therefore, pleased to report on the corporate governance procedures undertaken by Intercede for the year ending March 2023.

The role of the Board is to provide good governance, succinct and timely advice and create an environment for business success. High standards of corporate governance for delivering long-term success to the Group is recognised and the Board notes its role in setting the culture, values and ethics of the Group and communicating this internally and externally. We set this out formally in our Section 172 Statement on page 25.

Meeting regularly and having monthly calls enables the Board to monitor and promote a healthy and diverse corporate culture. As mentioned earlier, adherence to codes and governance rules enables the Group to foster this environment. The Group complies with AIM Rule 26 which requires disclosure of a recognised corporate governance code, how it applies it, any departures and suitability for the Group.

The Board has adopted the Quoted Companies Alliance Corporate Governance Code 2018 ("QCA Code") whose set of principles for governance are ideally suited for the Group in relation to the size, resource and its current development stage.

By order of the Board

Royston Hoggarth
Non-executive Chairman
19 June 2023

Corporate Governance Report

The business of the Group is ultimately managed by the Board of Directors of Intercede Group plc, who are responsible for running the Group for the benefit of its shareholders in accordance with their fiduciary and statutory duties. The Board is cognisant of the important responsibilities they have in respect of Corporate Governance and shaping the culture to be consistent with the objectives, strategy and business model outlined in the Strategic Report on pages 18 to 22.

Intercede is committed to conducting its business fairly, impartially, in an ethical and proper manner, and in full compliance with all laws and regulations. In conducting the business, integrity is the foundation of all company relationships, including those with employees, customers, suppliers and communities.

The Group has adopted the Quoted Companies Alliance (QCA) Corporate Governance Code for small and mid-size quoted companies (revised in April 2018 to meet the new requirements of AIM Rule 26). A detailed statement of the Group's compliance against the code is provided on Intercede's website: https://www.intercede.com/company/investor-relations/corporate-governance/.

The Board of Directors

The Board is led by the Chairman, Royston Hoggarth, who is responsible for the Group's corporate governance arrangements and who ensures that all members of the Board are able to contribute to Board discussions and decision-making, transparently and openly. All Directors acknowledge their collective responsibility and legal obligation to promote the best interests of the Group.

The effectiveness of the Board is kept under review by the Chairman who regularly solicits feedback on Board effectiveness from institutional and other shareholders. Feedback from such meetings is that investors remain generally supportive of the Group's strategy and approach. The Company gives high priority to communications with current and potential future shareholders by means of an active investor relations programme. The principal communication with private investors is through the website (intercede.com) and the provision of Annual and Interim Reports. All shareholders will receive at least 21 clear days' notice of the Annual General Meeting at which the Directors will be present and available for questions.

In the year, the Board has constructively and proactively challenged management on Group strategies, proposals, operating performance and key decisions, as part of its ongoing work to assess and safeguard the position and prospects of the Group.

The QCA Code requires the Board to have an appropriate balance between Executive and Non-Executive Directors. At the start of the year the Board contained a majority of non-executive directors with two deemed independent, and all male.

The board changes made in the year have increased independence and diversity. It now comprises two Executive Directors and five Non-Executive Directors, three of whom are considered to be independent. All of the Directors have extensive business experience and submit themselves for re-election at least every three years. Details of the breadth of their skills and experience can be found in the Board of Directors section on pages 28 to 29.

In discharging its duties, the Board has established three committees: the Audit Committee, the Remuneration Committee and the Nominations Committee. The structure of the Board Committees is as follows:

Audit Committee – Tina Whitley is the Chair of the Audit Committee given her recent and relevant financial experience as a Chief Executive and non-executive director role.

Jacques Tredoux is also a member of the Audit Committee and Royston Hoggarth will be invited by the Chair as and when requested.

Remuneration Committee – Charles Pol is the Chairman of the Remuneration Committee which also comprises Royston Hoggarth, Jacques Tredoux and Tina Whitley.

Nominations Committee – Charles Pol is the Chairman of the Nominations Committee which also comprises Royston Hoggarth, Jacques Tredoux, Klaas van der Leest and Nitil Patel.

	Board meetings		Audit Committee		Remuneration Committee		Nomination Committee	
Executive Directors	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended
Klaas Van der Leest	4	4	1	1	-	-	1	-
Nitil Patel (appointed 27 July 2022)	3	3	1	1	-	-	1	-
Andrew Walker (resigned 27 July 2022)	1	1	1	1	-	-	-	-
Non-Executive Directors								
Rob Chandhok	4	2	-	-	-	-	-	-
Royston Hoggarth	4	4	2	2	2	2	1	1
Charles 'Chuck' Pol	4	4	1	1	2	2	1	1
Jacques Tredoux	4	2	2	-	2	1	1	1
Tina Whitley (appointed 1 July 2022)	3	3	1	1	1	1	-	-

The performance of the Board is evaluated on a regular basis to achieve continuous improvement. Following a challenging period in recent financial years, the Board made a number of changes to get the Group back to sustainable revenue growth and profitability. The combined impact of increased revenues and action taken to reduce the cost base has resulted in a return to profit, which represents a significant turnaround from the losses incurred in previous years.

The Group has a strategic plan to expand the business and generate shareholder value, which forms the basis of Phase Two of Intercede's turnaround. In essence, this is a 6C 'back to basics' strategy centred around Colleagues, Customers, Channels, Code, Cash and Corporate Development (see pages 18 to 22 for an update on the execution of this strategy). The 6C strategy is kept under review by and evolves under the guidance of the Board.

Risk Management Review

Group-wide risk management is ultimately the responsibility of the Board (supported by the Audit Committee) and is overseen operationally by the Chief Operating Officer and Chief Financial Officer.

Operational risk management is embedded in the Group's business processes, which are set down in writing in the policies and procedures that make up the Group's quality management system (QMS) and are periodically reviewed by external quality compliance auditors.

The Board places a significant emphasis on the Group's reputation for quality and, in addition to lending full support to the maintenance of the Group's ISO 9001, ISO 27001 status and Group Risk Register, and takes reputational matters into account in its decision-making. This is part of our ongoing commitment to providing the highest levels of protection for the confidentiality, integrity and availability of not only our data, but also that of customers and business partners stored on our networks.

The Group's key risks (operational and otherwise) are recorded in a Group Risk Register and those risks together with their respective mitigants, controls and corrective actions are reviewed regularly by the Board. Risk is a standing agenda item for the Board and senior managers are required to review, identify and report risks on an ongoing basis. Key risks to the Group are set out in the Strategic Report on pages 18 to 22 .

Group Organisation

The Board meets regularly, and is responsible for the overall Group strategy, acquisition and divestment policy, approval of major capital expenditure projects and consideration of significant financing matters. It monitors the key business risks and reviews the strategic direction of the Group, its codes of conduct, forward projections and progress towards their achievement.

The day-to-day running of the Group's business is delegated by the Board to the Executive Directors led by the Chief Executive. The Executive Directors have established a management and reporting framework across the Group, supported by an Executive Management Team (EMT). The EMT comprises of the Executive Directors together with the Chief Operating Officer, the Chief Product Officer and the Chief Technology Officer.

Clear channels are in place for information and proposals to flow up from the Group's various operating units to the EMT and the Board and for information and decisions to flow back down. Key Performance indicators are reported monthly, providing visibility and accountability across the business leading to better software and services for customers, allowing effective risk management, and ensuring the Group retains its quality accreditations.

In addition to the EMT there is also an Operating Management Team (OMT) comprising of senior managers executing and implementing the strategies of the Group.

Financial Reporting

The Board has overall responsibility for the Group's system of internal financial control and for reviewing its effectiveness. The purpose of the system of control is to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against misstatement or loss.

There is a comprehensive planning system, including regular periodic forecasts which are presented to and approved by the Board. The performance of the Group is reported monthly and compared to the latest forecast and the prior year.

Going Concern

The Directors, have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. As outlined in note 1, this expectation follows a review of forecasts for the years ended 31 March 2024 and 31 March 2025, which show that the Group is expected to have sufficient cash to enable it to meet its liabilities, as and when they fall due, for a period of at least 12 months from the date of signing these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Royston Hoggarth
Chairman
19 June 2023

AUDIT COMMITTEE REPORT

During the year the Audit Committee discharged its responsibilities by reviewing and monitoring the following areas:

- The risk and control environment;
- The integrity of the financial statements of the Group;
- Announcements relating to financial performance;
- Whether the Group has followed appropriate accounting standards and made appropriate estimates and judgments, taking into account the views of the external auditors;
- The clarity of disclosure in the Group's Annual Report and the audited Consolidated Financial Statements;
- Delegated power from the Board to agree fees for external auditors; and.
- The need to satisfy itself on the independence and objectivity of the external auditors.

For the year ended 31 March 2023 ('FY23'), there was one Audit Committee meeting attended by Royston Hoggarth and Chuck Pol and another by Tina Whitley and Royston Hoggarth. Many of the Audit Committee matters listed above are addressed at quarterly board meetings, particularly around the review of risks and controls.

The significant issues considered by the Committee in relation to the FY23 Financial statements, and how these were addressed, were:

- **External audit** - The Audit Committee monitors the Group's relationship with the external auditor, Cooper Parry Group Limited ('Cooper Parry'), to ensure that external independence and objectivity has been maintained and will continue to review and challenge the work undertaken to ensure the effectiveness of the audit process. This is the first year that Cooper Parry has provided audit services to the Group and the Audit Committee looks forward to building a strong and productive working relationship with Cooper Parry.

- **Risk management and internal control** - The Committee is responsible for advising the Board on risk exposure and the review of internal controls that are in place to mitigate risk. Principal risks and uncertainties facing the business are presented on pages 26 to 27. The internal control environment continues to evolve and develop as the Group grows and considers integration of potential acquisitions, with a particular focus on the automation of processes and introduction of new technology to enhance control and communication across the Group.

- **Going concern** – As part of the going concern assessment, the Board reviewed forecasts for the years ended 31 March 2024 and 31 March 2025 and concluded that the Group has sufficient cash to continue in operational existence for the foreseeable future. The Committee also notes that the Group continues to monitor cash balances weekly for working capital and corporate development funding requirements and that annual recurring revenues from Support & Maintenance, plus repeatable Professional Services revenues, now largely cover annual fixed costs. This is a firm foundation that allows the Group to remain profitable, even in leaner years. The complete conversion and redemption of all convertible loan notes has left the Group with a stronger balance sheet and no debt.

Tina Whitley
Chair
Audit Committee
19 June 2023

REPORT OF THE REMUNERATION COMMITTEE

As a company listed on AIM, Intercede Group plc is not required to present a Report of the Remuneration Committee. A number of voluntary disclosures have been made which are not subject to audit. The matters set out below are nevertheless relevant to understanding the activities of the Remuneration Committee and remuneration of the Company's Directors.

The Remuneration Committee is composed entirely of non-executive directors. None of the Committee members has any personal interest in the matters to be decided. The Chief Executive is invited to attend committee meetings but is not present during discussions relating to his own remuneration.

Remuneration Policy

The remuneration packages for executive directors are intended to incentivise them to meet the financial and strategic objectives of the Group. The policy is to pay individual directors a salary at market levels for comparable jobs recognising the size of the Group and the business sector in which it operates. The main components are base salary, an annual bonus plan, pension contributions, share options and long-term incentives plans. Note 4 to the financial statements provides details of the remuneration paid and payable in respect of the year ended 31 March 2023.

Recruitment

The Nominations Committee is responsible for leading the process for Board appointments and making recommendations to the Board.

Service Contracts

The executive directors have service contracts that are terminable by either party giving either 6 or 12 months' notice to the other. The non-executive directors' service contracts are terminable on one month's notice by either party with the exception of R Hoggarth whose service contract is terminable on three months' notice by either party.

Loss of office payments

In the event of early termination, all of the Directors' contracts provide for compensation up to a maximum of basic salary plus benefits for the notice period.

Pension Arrangements

The Group makes pension contributions to money purchase schemes in respect of both of the executive directors.

Share Options including Growth Share Schemes

The Group aims to align the interests of the executive directors with the interest of the long-term shareholders. The Remuneration Committee has discretion to make option grants to executive directors and other staff, subject to the applicable scheme rules, and to determine appropriate performance conditions. The share option plans are subject to rules and limits approved by shareholders in general meeting. Any exercise is subject to satisfaction of the specified performance conditions.

Share Incentive Plan (SIP)

Following the introduction of a Share Incentive Plan for all UK employees during the year ended 31 March 2014, a similar plan was introduced for all US employees during the year ended 31 March 2015. Full details are provided in note 16 of the Consolidated Financial Statements.

Consultation with shareholders

The Remuneration Committee is committed to an ongoing dialogue with shareholders and seeks the views of significant shareholders when any major changes are being made to remuneration arrangements, especially in regard to Long Term Incentive Plans (LTIPs). The Committee takes into account the views of significant shareholders when formulating and implementing the policy.

Chairman and Non- Executive Director fees

Key to the Group is to ensure ability to attract and recruit high quality Chairman and Non-Executive Directors to help deliver on the Group strategy in the interest of the shareholders.

A basic fee is set for normal duties, commensurate with fees paid for similar roles in other similar companies, taking account of the time commitment, responsibilities, and committee position(s).

Non-Executive Directors are not eligible for pensions, incentives, bonus or any similar payments other than normal out-of-pocket expenses incurred on behalf of the business. Compensation for loss of office is not payable to Non-Executive Directors and payments are monthly or quarterly.

Share Price

As at 31 March 2023, the market price of the shares of the Company was 62.5p (mid-market price). The share price fluctuated between a high of 77p and a low of 38.0p during the year ended 31 March 2023.

Charles ‘Chuck’ Pol
Chair
Remuneration Committee
19 June 2023

DIRECTOR’S REPORT

For the year ended 31 March 2023

The Directors present their Annual Report and the audited financial statements of the Group and the Company for the year ended 31 March 2023.

Principal Activities

Intercede is a cybersecurity software company specialising in digital identities, and its innovative solutions enable organisations to protect themselves against the number one cause of data breach: compromised user credentials.

The Company

The Company is a holding company which was set up to facilitate the admission of the Group onto the AIM (IGP) section of the London Stock Exchange.

Review of Operations and Future Developments

The review of operations and future developments is omitted from the Directors’ Report as it is included in the Strategic Report on pages 18 to 22.

Results and Dividends

The audited accounts for the year ended 31 March 2023 are set out on pages 48 to 75. The Group’s profit for the year was £1.3 million (2022: £0.7 million). The Directors do not recommend the payment of a dividend (2022: £nil).

Directors and their Interests

Details of the present Directors, all who served throughout the year, are provided on pages 28 to 29. In accordance with the Company’s Articles of Association, Tina Whitley, Nitil Patel and Rob Chandhok will offer themselves for re-election at the forthcoming Annual General Meeting.

The interests of the Directors serving at the end of their year, and their immediate families, in the shares of the Company are set out below:

	Ordinary Shares	
	31 March 2023	31 March 2022
C Pol	**133,037**	133,037
R Chandhok	**-**	-
R Hoggarth	**375,214**	168,721
J Tredoux *	**16,437,860**	16,437,860
K van der Leest **	**816,800**	63,406
T Whitley	**-**	-
N Patel **	**30,768**	-

* J Tredoux is interested in 1,463,216 shares which are registered in the name of Pershing Nominees Limited which is a nominee of Angus Investment Holdings Limited (“Angus”). Angus is controlled by The South Hills Trust. As at 31 March 2023, Jacques Tredoux was also interested in 14,974,644 shares indirectly held by The Azalia Trust. Jacques Tredoux and/or his wife and children are members of the class of discretionary beneficiaries of The South Hills Trust and The Azalia Trust.

** K van der Leest and N Patel hold 28,694 and 15,288 shares via the SIP employee scheme, respectively.

None of the Directors had any material interest in any other contract or arrangement made by the Company during the year with the exception of those referred to in note 16 of the Consolidated Financial Statements.

Director Share Options

Klaas van der Leest

Plan	Date of Grant	No. of Shares	Exercise Price	Dates Exercisable
EMI	19 October 2018	130,000	27p	19 October 2021 to 18 October 2028
EMI	10 October 2022	500,000	38p	10 October 2025 to 9 October 2032

Nitil Patel

Plan	Date of Grant	No. of Shares	Exercise Price	Dates Exercisable
EMI	10 October 2022	500,000	38p	10 October 2025 to 9 October 2032

Growth Share Scheme

Director	Date of Grant	Growth Shares Awarded	Maximum Ordinary Shares Available under the Growth Share Scheme
Klaas van der Leest	10 October 2022	300	1,785,705

Full details of the Growth Share Scheme can be found in note 16 of the Consolidated Financial Statements.

Directors' Indemnity

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also maintains insurance cover for the Directors and key personnel against liabilities which may be incurred by them while carrying out their duties.

Substantial Shareholders

As at 17 May 2023, the following had notified the Company of disclosable interests in 3% or more of the Company's issued share capital:

	No of Shares	%
Azalia Trust	14,974,644	25.7%
Liontrust Asset Management	3,740,582	6.4%
Canaccord Genuity Wealth Management	3,376,083	5.8%
Anjar International	3,171,631	5.4%
Palm Limited	3,147,436	5.4%
Herald Investment Management	3,140,184	5.4%
Mr Richard A Parris	2,655,706	4.6%
Premier Miton Investors	2,252,497	3.9%
Intercede Share Incentive Plan	1,940,745	3.3%
Hargreaves Lansdown, stockbrokers (EO)	1,893,903	3.2%

The Intercede Share Incentive Plan shareholding ("SIP") has been set up for UK employees (including directors). In accordance with AIM Rule 26, as at 17 May 2023 the percentage of the Company's issued share capital that is not in public hands is 34.0%. This constitutes treasury shares, shares held by the trustees of Intercede's SIP, shares held by the directors and their immediate families, and any shareholdings greater than 10%.

Research and Development Expenditure

The Group continues to invest in an ongoing programme of research and development. The total cost of development during the year ended 31 March 2023 was £3.1 million (2022: £3.0 million) which has been written off as incurred.

Intellectual Property (IP)

The Group's revenues are primarily derived from licensing its proprietary MyID product. Intercede Limited owns the copyright for this product. The Group relies on trademark laws and the law of passing off, or its equivalent in non-UK countries, to protect the trademarks which it uses. Intercede Limited is the proprietor or applicant of certain trademarks in important markets. The Group also endeavours to protect its intellectual property through the filing of patent applications where appropriate.

Since the acquisition of Authlogics in October 2022, the Group has added to its portfolio of IP via Secure Registration and ID Verification capabilities to Password Security Management and One-Time Password functionality. Authlogics generates income through subscription of its offering based on multi-year contracts.

Board Changes

During the period Andrew Walker retired from the Board with the appointment of Nitil Patel as his successor and new Chief Financial Officer of Intercede. Royston Hoggarth, Non-Executive Director of the Company succeeded Charles 'Chuck' Pol as the Group's Chairman. Tina Whitley was appointed as an Independent Non-Executive Director, bringing over 30 years' experience across the information technology sector.

Employees

The Group operates an equal opportunities employment policy. Employees are kept informed of the performance and objectives of the Group through a combination of regular formal and informal meetings. It is the Group's policy to provide, where possible, employment opportunities for disabled people and to care for people who become disabled whilst in the Group's employment.

Environment, Social and Governance (ESG)

The Group's policy regarding the environment is to ensure that we understand and effectively manage the actual and potential environmental impact of our activities. Our operations are conducted such that we comply with all legal requirements relating to the environment in all areas where we carry out our business. During the year covered by this report, the Group has not incurred any fines or penalties or been investigated for any breach of environmental regulations.

A new ESG committee has been formed, with a specific objective to enhance the Group's ESG impact and assess reporting requirements for the financial year ending 31 March 2024.

Share option schemes

The Company operates share option Schemes which are open to employees. The three current Schemes are the Intercede Employee Share Options 'SIP' Scheme, the Intercede EMI Share Options Scheme, and the Intercede Long Term Incentive Plan. Details of the share options are laid out within note 16 to the accounts.

System of risk management and internal control

In accordance with the Companies Act s414 c(11) information in relation to the business and risks is shown in the Strategic Report. The Board is responsible for maintaining a risk management and internal control system and for managing principal risks faced by the Group. Such a system is designed to manage rather than eliminate business risks and can only provide reasonable and not absolute assurance against material mistreatment or loss.

Supplier Payment Policy

It is Group policy to pay amounts due from suppliers according to the agreed terms of payment upon receipt of a valid invoice and accurate. The Group does not follow a code on standard payment practice. At 31 March 2023 the Company had 30 days (2022: 38 days) of outstanding liabilities to creditors.

Treasury policy

The Group's operations are now funded by cash reserves. The policy of the Group is continued strict management and control of cashflows and utilising a market rate of interest on its balances. Maintaining good bank relationships is key for the Group and it does so across a range of suppliers.

The Group also has exposure to foreign currency rate fluctuations and assess hedging contracts to enable stability in income with a given fixed rate. To date the Group has not entered into any hedging contracts.

Financial instruments

The Group's financial risk management objectives and policies are discussed within note 14 to the accounts.

Political and Charitable contributions

The Group made no political contributions during the year (2022: £nil), and charitable donations of £724 (2022: £581).

Share Capital

Details of changes to the Company's share capital during the period, including the issue and repurchase of shares, are provided in note 12 to the Consolidated Financial Statements.

Directors' Confirmations

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

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

Annual General Meeting

The 23rd Annual General Meeting of the Company will be held on Thursday 21 September 2023. The Notice of the Annual General Meeting can be found on page 76.

Website publication

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

Independent Auditor

A resolution to re-appoint Cooper Parry Group Limited as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

By order of the Board

Nitil Patel
Chief Financial Officer and Company Secretary
19 June 2023

Directors' Responsibilities

The directors are responsible for preparing the annual report and 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 Group financial statements in accordance with UK adopted international accounting standards, and the Company 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 of the profit or loss of the Group for that period. The directors are also required to prepare the financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market (AIM).

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether the Group accounts have been prepared in accordance with UK adopted international accounting standards, and the Parent Company accounts have been prepared under UK GAAP, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

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

Website publication

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

By order of the Board

Klaas van der Leest
Chief Executive Officer
19 June 2023

Independent auditor's report to the members of Intercede Group plc

Opinion

We have audited the financial statements of Intercede Group plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated Cash Flow Statement and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- The financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2023 and of the group's profit for the year then ended;
- The group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- The parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Our approach to the audit

We adopted a risk-based audit approach. We gained a detailed understanding of the group's business, the environment it operates in and the risks it faces.

The key elements of our audit approach were as follows:

In order to assess the risks identified, the engagement team performed an evaluation of identified components and to determine the planned audit responses based on a measure of materiality, calculated by considering the significance of components as a percentage of the group's total revenue and profit before taxation and the group's total assets.

From this, we determined the significance of each component to the group as a whole and devised our planned audit response. In order to address the audit risks described in the Key audit matters section which were identified during our planning process, we performed a full-scope audit of the financial statements of the parent company, Intercede Group plc, and all of the group's UK trading subsidiaries, providing 100% coverage of revenues and profit before tax for these components. The operations that were subject to full-scope audit procedures made up 100% of consolidated revenues and 83% of consolidated profit after tax. Entities subject to specific scope review procedures made up 0% of the consolidated revenue and 17% of consolidated profit after tax. We applied analytical procedures to the Balance Sheets and Income Statements of the entity comprising the remaining operations of the group, focusing on applicable risks identified as above, and its significance to the group's balances.

Key audit matters

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

Risk Description	Our response to the risk
Revenue recognition: As detailed in note 1 to the financial statements, Significant Accounting Policies, the Group's revenue is generated from a number of streams, as follows: • Software licences; • Professional services; and • Support and maintenance. Given the material nature of revenue and the variety of methods it is generated through, the appropriateness of revenue recognition and management's application of the Group's revenue recognition accounting policies represents a key risk area of significant judgement in the financial statements.	We have assessed accounting policies for consistency and appropriateness with the financial reporting framework and in particular that revenue was recognised when performance obligations were fulfilled. In addition, we reviewed for the consistency of application as well as the basis of any recognition estimates. We have obtained an understanding of processes through which the businesses initiate, record, process and report revenue transactions. We performed walkthroughs of the processes as set out by management, to ensure controls appropriate to the size and nature of operations are designed and implemented correctly throughout the transaction cycle. We tested a sample of transactions from each revenue stream to confirm that revenue has been recognised in accordance with the accounting policies and performance obligations for recognition have been met. These have been vouched to invoice, signed contracts, sales quotes and purchase orders and nominal posting. A complete listing of journals posted to revenue nominal codes has been obtained. We have tested unexpected manual adjustments to supporting evidence on a sample basis. We performed cut-off procedures to test transactions around the year end and verified a sample of revenue to originating documentation to provide evidence that transactions were recorded in the correct year.

Risk Description	Our response to the risk
Carrying value and impairment of goodwill: The Group has a significant goodwill balance. The Group's assessment of carrying value requires significant judgement, in particular regarding cash flows, growth rates, discount rates and sensitivity assumptions.	We challenged the assumptions used in the impairment model for goodwill, which is described in note 8 to the financial statements. We considered historical trading performance by comparing recent growth rates of both revenue and operating profit. We assessed the appropriateness of the assumptions concerning growth rates and inputs to the discount rates against latest market expectations. We performed sensitivity analysis to determine whether an impairment would be required if costs increase at a higher than forecast rate.
Acquisition of Authlogics Ltd On 7 October 2022, Intercede Ltd purchased the share capital of Authlogics Ltd, which comprised cash consideration, repayment of debt and contingent consideration. Judgement is applied by management in assessing the fair value of the assets and liabilities acquired in the business combination, including any intangibles in accordance with IFRS 13 Fair Value Measurement. Management have applied a number of key judgements and estimates in order to account for this acquisition in accordance with IFRS 3 Business Combinations.	We have obtained and reviewed management's acquisition accounting working papers to verify the treatment of the acquisition in accordance with IFRS 3 Business Combinations. We verified all accounting entries to purchase and other agreements and bank statements. We challenged management's judgements in relation to fair value adjustments and recognition of intangible assets. We reviewed the financial statements disclosures in relation to the acquisition. We found the approach to accounting for the acquisition, including judgements made around the recognition and valuation of acquired assets and liabilities, to be acceptable.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in determining the nature, timing and extent of our audit procedures, in evaluating the effect of any identified misstatements, and in forming our audit opinion.

The materiality for the group financial statements as a whole was set at £121,000. This has been determined with reference to the benchmark of the group's revenue which we consider to be an appropriate measure for a group of companies such as these. Materiality represents 1% of group revenue. Performance materiality has been set at 80% of group materiality.

The materiality for the parent company financial statements as a whole was set at £108,750 and performance materiality represents 80% of materiality. This has been determined with reference to the parent company's net assets, which we consider to be an appropriate measure for a holding company with investments in trading subsidiaries. Materiality represents 1% of net assets as presented on the face of the parent company's Statement of Financial Position.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Reviewing management's cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements;
- Challenging management on key assumptions included in their forecast scenarios;
- Considering the potential impact of various scenarios on the forecasts;
- Reviewing results post year end to the date of approval of these financial statements and assessing them against original budgets; and
- Reviewing management's disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information included in the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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, 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 41, 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.

Our assessment focused on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, AIM listing rules, UK adopted international accounting standards, United Kingdom Generally Accepted Accounting Practice (UK GAAP) and relevant tax legislation.

We are not responsible for preventing irregularities and cannot be expected to detect non-compliance with all laws and regulations. Our approach to detecting irregularities included, but was not limited to, the following:

- Obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- Obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and sample testing of controls;
- Obtaining an understanding of the entity's risk assessment process, including the risk of fraud;
- Designing our audit procedures to respond to our risk assessment;
- Performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business; and
- Reviewing accounting estimates for bias specifically those in relation to goodwill and deferred tax assets.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Melanie Hopwell (Senior Statutory Auditor)
For and on behalf of Cooper Parry Group Limited
Statutory Auditor
Sky View
Argosy Road
East Midlands Airport
Caste Donington
Derby
DE74 2SA
Date: 19 June 2023

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2023

	Notes	**2023 £'000**	2022 £'000
Continuing operations			
Revenue	2	**12,110**	9,925
Cost of sales		**(403)**	(198)
Gross profit		**11,707**	9,727
Operating expenses		**(11,136)**	(9,337)
Operating profit	3	**571**	390
Finance income	5	**130**	16
Finance costs	5	**(75)**	(83)
Profit before tax		**626**	323
Taxation	6	**685**	400
Profit for the year		**1,311**	723
Total comprehensive income attributable to owners of the parent company		**1,311**	723
Earnings per share (pence)	7		
- basic		**2.3p**	1.3p
- diluted		**2.2p**	1.2p

The accompanying notes on pages 52 to 69 are an integral part of these financial statements.

Consolidated Balance Sheet

As at 31 March 2023

	Note	2023 £'000	2022 £'000
Non-current assets			
Goodwill arising on acquisition	8	**2,442**	-
Other intangible assets	8	**785**	-
Property, plant and equipment	9(a)	**125**	117
Right-of-use assets	9(b)	**262**	431
		3,614	548
Current assets			
Trade and other receivables	11	**5,489**	4,598
Cash and cash equivalents		**8,334**	7,787
		13,823	12,385
Total assets		**17,437**	12,933
Equity			
Share capital	12	**584**	577
Share premium		**5,430**	5,268
Merger reserve		**1,508**	1,508
Accumulated deficit		**(492)**	(1,842)
Total equity		**7,030**	5,511
Non-current liabilities			
Lease liabilities	9(b)	**204**	388
Contingent consideration	18	**174**	-
Deferred revenue		**550**	233
		928	621
Current liabilities			
Lease liabilities	9(b)	**261**	368
Contingent consideration	18	**313**	-
Trade and other payables	13	**1,918**	1,464
Deferred revenue		**6,987**	4,969
		9,479	6,801
Total liabilities		**10,407**	7,422
Total Equity and liabilities		**17,437**	12,933

The financial statements on pages 48 to 69 were authorised for issue by the Board of Directors on 19 June 2023 and were signed on its behalf by:

K van der Leest **Director**
N Patel **Director**

The accompanying notes on pages 52 to 69 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2023

	Share capital £'000	Share Premium £'000	Merger Reserve £'000	Accumulated deficit £'000	**Total equity £'000**
At 1 April 2021	571	5,138	1,508	(2,471)	**4,746**
Purchase of own shares	-	-	-	(187)	**(187)**
Issue of new shares (note 12)	6	130	-	-	**136**
Employee share option plan charge (note 16)	-	-	-	67	**67**
Employee share incentive plan charge (note 16)	-	-	-	26	**26**
Profit for the year and total comprehensive income	**-**	**-**	**-**	**723**	**723**
At 31 March 2022	577	5,268	1,508	(1,842)	**5,511**
Purchase of own shares	-	-	-	(54)	**(54)**
Issue of new shares (note 12)	7	162	-	-	**169**
Employee share option plan charge (note 16)	-	-	-	50	**50**
Employee share incentive plan charge (note 16)	-	-	-	43	**43**
Profit for the year and total comprehensive income	-	-	-	1,311	**1,311**
At 31 March 2023	**584**	**5,430**	**1,508**	**(492)**	**7,030**

All amounts included in the table above are attributable to owners of the parent company.

Share capital: Nominal value of shares issued.
Share premium: Amount subscribed for share capital in excess of the nominal value.
Merger reserve: Created on the issue of shares on acquisition of its subsidiary accounted for in line with merger accounting principles.
Accumulated deficit: All other net losses not recognised elsewhere.

The accompanying notes on pages 52 to 69 are an integral part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Cash flows from operating activities			
Profit for the year		**1,311**	723
Taxation		**(685)**	(400)
Finance income		**(130)**	(16)
Finance costs		**75**	83
Depreciation of property, plant & equipment		**66**	70
Depreciation of right-of-use assets		**246**	237
Amortisation		**83**	-
Exchange losses on foreign currency lease liabilities		**40**	22
Employee share option plan charge		**50**	67
Employee share incentive plan charge		**43**	26
Employee unit incentive plan (credit) / charge		**(51)**	9
Employee unit incentive plan payment		**(3)**	-
Increase in trade and other receivables		**(831)**	(550)
Increase / (decrease) in trade and other payables		**334**	(465)
Increase / (decrease) in deferred revenue		**1,668**	(26)
Cash generated / (used in) from operations		**2,216**	(220)
Finance income		**116**	13
Finance costs on leases		**(44)**	(83)
Tax received		**574**	400
Net cash generated from operating activities		**2,862**	110
Investing activities			
Purchases of property, plant and equipment		**(70)**	(33)
Purchase of business (net of cash acquired)	18	**(2,009)**	-
Cash used in investing activities		**(2,079)**	(33)
Financing activities			
Purchase of own shares		**(54)**	(187)
Proceeds from issue of ordinary share capital		**169**	136
Principal element of lease payments		**(409)**	(321)
Cash used in financing activities		**(294)**	(372)
Net increase / (decrease) in cash and cash equivalents		**489**	(295)
Cash and cash equivalents at the beginning of the year		**7,787**	8,029
Exchange gains on cash and cash equivalents		**58**	53
Cash and cash equivalents at the end of the year		**8,334**	7,787

The total cash outflow for leases is £453,000 (2022: £404,000).

The accompanying notes on pages 52 to 69 are an integral part of these financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2023

1. Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all of the years presented, unless otherwise stated.

General Information
Intercede Group plc ('the Company') and its subsidiaries (together 'the Group') is a leading independent developer and supplier of identity and credential management software. The Company is a public limited company limited by shares, which is listed on the AIM section of the London Stock Exchange and is incorporated and domiciled in England. The address of its registered office is Lutterworth Hall, St. Mary's Road, Lutterworth, Leicestershire, LE17 4PS. The registered number of the company is 04101977.

Basis of preparation
The consolidated financial statements of Intercede Group plc are drawn up to 31 March each year and have been prepared in accordance with UK adopted international accounting standards ("IFRS") and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. As detailed in the Directors' Report, the Directors continue to adopt the going concern basis on preparing the financial statements.

Going concern assessment
Reported profit in each of the last five years have been underpinned by increasing recurring revenues and a continued high level of cash balances. The Directors have reviewed forecasts for the years ended 31 March 2024 and 31 March 2025 and concluded that the Group is expected to have sufficient cash to enable it to meet its liabilities, as and when they fall due, for a period of at least 12 months from the date of signing these financial statements. Accordingly, they believe it is appropriate to prepare the financial statements on a going concern basis under the historical cost convention.

Critical accounting estimates and judgements
The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates. The accounting estimates that have the most risk of causing a material adjustment to the amounts recognised in the financial statements are the judgements and estimates relating to:

Judgements:

- Research & Development (R&D) costs – in accordance with the IFRS recognition criteria outlined elsewhere within the research and development costs policy, the Board has determined that all internal R&D costs incurred in the year are expensed. No development expenditure has been capitalised as at 31 March 2023 (2022: £nil). In general, the Group's R&D activities are closely interrelated and it is not until the technical feasibility of a product can be determined with reasonable certainty that development costs are considered for capitalisation. In addition, intangible assets are not recognised unless it is reasonably certain that the resultant products will generate future economic benefits in excess of the amounts capitalised.
- The Group is a beneficiary of the UK Government's efforts to encourage innovation by allowing 130% of qualifying R&D to be offset against taxable profits. Intercede makes an R&D Claim as part of its annual tax return and can choose whether to carry taxable losses forward or to request a cash repayment from the UK government.
- Carrying value of goodwill - The Group determines whether goodwill is impaired on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in note 8.

Estimates:

- A deferred tax asset has not been recognised against the backdrop of substantial R&D investment leading to taxable losses and unused tax losses brought forward. To get to the point where the Group has a taxable profit and is in a position to utilise trading losses brought forward, either: a) the level of qualifying R&D expenditure is reduced by 88%; and b) the level of accounting profit is over seven times higher.

The Company has elected to prepare its entity financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and these are separately presented on pages 70 to 75.

Basis of consolidation
The Group financial statements include the results of the Company and its subsidiary undertakings. The results of subsidiaries acquired or disposed of during the year are included/excluded from the date of acquisition or disposal respectively.

The financial statements of the Company and its subsidiary undertakings are prepared for the same reporting year as the Group, using consistent accounting policies and in accordance with local Generally Accepted Accounting

Principles. All intercompany balances and transactions, including unrealised profits arising from inter-group transactions, have been eliminated in full.

Foreign currencies
The consolidated financial statements are presented in pounds sterling, which is the Group's functional and presentational currency, rounded to the nearest thousand.

Transactions in foreign currencies by individual entities are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the statement of comprehensive income.

Revenue recognition
Revenue, which excludes sales between Group companies and trade discounts, represents the invoiced value of goods and services net of value added tax to end users, partners and resellers. Where services are provided via resellers and partners, the satisfaction of the performance obligations are determined by reference to the end users, with the transaction price being the amount which is directly under the control of the Group. The Group's revenue recognition polices are detailed below:

Software licence sales (goods) – Revenue is recognised at a point in time once the customer has access to the licence. This is on the basis that the customer cannot return the licence or ask for it to be transferred to another party and the Group is under no obligation to provide a refund.

Software as a service (SAAS) sales – This revenue stream has separate performance obligations in respect of the licence element and the support and maintenance element. The recognition of licence revenue is at a point in time, for which the enforceable contract term is typically twelve months, whereas support and maintenance revenue is recognised evenly over the time during which the service is provided.

Software as a service (SAAS) subscriptions - Revenue for the provision of authentication and data protection services to customers, is recognised evenly over the time during which the subscription is provided.

Professional services – Revenue is recognised over time as costs are incurred.

Support and maintenance services – Fees are invoiced at the beginning of the period to which they relate and are initially recorded as deferred revenue. Revenue is then recognised evenly over the time during which the service is provided.

Segmental reporting
A geographical segment is engaged in providing products or services within a particular economic environment and may be subject to risks and returns that are different from those of segments operating in other economic environments.

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

All of the Group's revenue, operating profits and net assets originate from operations in the UK. The Directors consider that the activities of the Group across all areas of revenue constitute a single business segment. This conclusion is consistent with the nature of information that is presented to the Board of Directors of the Company, which is considered to be the Chief Operating Decision Maker (CODM) for the purposes of IFRS 8.

Research and development costs
Expenditure incurred on research and product development and testing is charged to the statement of comprehensive income in the period in which it is incurred, unless the development expenditure meets the criteria for capitalisation. Where the development expenditure meets the criteria for capitalisation, development costs are capitalised and amortised over the period of expected future sales of the related projects with impairment reviews being carried out at least annually. The asset is carried at cost less any accumulated amortisation and impairment losses.

Business combinations
Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair value (at the date of exchange) of assets given, liabilities incurred or assumed, equity instruments issued and cash paid by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the statement of comprehensive income as incurred.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are re-measured to fair value at the acquisition date.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 "Business Combinations" are recognised at their fair value at the acquisition date.

Goodwill
Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Goodwill has an indefinite expected useful life and is not amortised but is tested annually for impairment.

Goodwill is recognised as an intangible asset in the consolidated balance sheet. Goodwill therefore includes non-identified intangible assets including business processes, buyer-specific synergies, know-how and workforce-related industry-specific knowledge and technical skills. Negative goodwill arising on acquisitions would be recognised directly in the consolidated income statement. On closure or disposal of an acquired business, goodwill would be taken

Notes to the Consolidated Financial Statements

For the year ended 31 March 2023

into account in determining the profit or loss on closure or disposal.

Intangible assets acquired as part of a business combination
For acquisitions, the Group recognises intangible assets separately from goodwill provided they are separable or arise from contractual or other legal rights and their fair value can be measured reliably. Intangible assets are initially recognised at fair value, which is regarded as their cost. Intangible assets are subsequently held at cost less accumulated amortisation and impairment losses. Where intangible assets have finite lives, their cost is amortised on a straight-line basis over those lives. The assets' residual values and useful lives are reviewed at each reporting date and adjusted if appropriate. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Property, plant and equipment
Property, plant and equipment is stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes all expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the costs provide enhancement, it is probable that future economic benefits associated from the item will flow to the Group and the cost of the enhancement can be measured reliably. All other repair and maintenance costs are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is provided to write off the cost less the estimated residual value of property (excluding freehold land), plant and equipment over their estimated useful economic lives by equal annual instalments using the following rates:

Leasehold improvements	Remaining period of the lease
Fixtures and fittings	15% per annum
Computer and office equipment	25% per annum

Impairment of tangible and intangible assets
The carrying amount of the Group's assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated.

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. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount with the impairment loss recognised as an operating expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Leased assets
At the inception of a contract the Group assesses whether the contract is, or contains, a lease. A lease is present where the contract conveys, over a period of time, the right to control the use of an identified asset in exchange for consideration. Where a lease is identified the Group recognises a right-of-use asset and a corresponding lease liability, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The lease liability is initially measured at the present value of the future lease payments discounted at the interest rate implicit in the lease or, if that cannot be readily determined, at the Group's incremental borrowing rate at that point in time. The lease liability is re-measured for modifications to lease payments due to changes in an index or rate or where the lease contract is modified and is not accounted for as a separate lease. When the lease liability is re-measured an equivalent adjustment is made to the right-of-use asset. Where the lease liability is denominated in a foreign currency it is re-translated at the balance sheet date and gains or losses are included in the statement of comprehensive income.

A right-of-use asset comprises the initial measurement of the corresponding lease liability and is subsequently measured at cost less accumulated depreciation. Right-of-use assets are depreciated over the shorter of the lease term and the estimated useful economic life.

Trade and other receivables
Trade and other receivables are initially recognised at amortised cost. The amortised cost of trade receivables is calculated as original invoice amount adjusted over time for foreign exchange adjustments and any loss allowance. The Group measures loss allowances for Expected Credit Losses (ECL) on trade receivables using the simplified approach and the loss allowance is measured at the estimate of the lifetime expected credit losses. When determining whether the credit risk of a trade receivable has increased significantly since initial recognition, and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand and short-term deposits. The Group does not have bank overdraft facilities.

Trade and other payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities, and discounted accordingly.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, unless the effect is immaterial.

Pension costs
The Group operates a defined contribution pension scheme via an independent provider. Contributions are charged to the statement of comprehensive income as incurred.

Share-based payments
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date on which they are granted. Estimating fair values requires determination of the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them. The assumptions and models used are disclosed in note 16.

Where share options are awarded to employees, the fair value of share-based compensation at the date of grant for equity-settled plans granted to employees after 7 November 2002 is charged to the statement of comprehensive income over the expected vesting period with a corresponding amount recognised as an increase in equity. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive income over the remaining vesting period.

The Group operates a Unit Incentive Plan to provide similar benefits for all US employees. The plan provides phantom shares or units, equivalent in value to shares in the Company, and the plan is cash-settled. The fair value is assessed at each period end based on the market value of the shares at this time and is charged to the statement of comprehensive income over the remaining vesting period.

Taxation
The tax expense or credit represents the sum of current and deferred tax. UK corporation tax is provided at amounts expected to be paid (or recovered) and the current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax is recognised using the balance sheet liability method for all temporary differences, unless specifically exempt, at the tax rates that have been enacted or substantively enacted at the balance sheet date.

A deferred tax asset represents the amount of income taxes recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits. Deferred tax assets are only recognised to the extent that it is more likely than not that taxable profits will be available against which deductible temporary differences can be utilised.

Adoption of new accounting standards
The Group has applied the following standards and amendments for the first time for the annual reporting period commencing on 1 April 2022: 2018-2020 annual improvements cycle, IAS 16 amendments regarding proceeds before intended use, IAS 37 amendments regarding onerous contracts and IFRS 3 amendments updating a reference to the Conceptual Framework. None of the amendments had a material impact on the Group's financial statements for the year ended 31 March 2023.

At the balance sheet date there are a number of new standards and amendments to existing standards in issue but not effective. The Group intends to adopt these standards when they become effective, none of which are expected to have a material impact on the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2023

2. Revenue

All of the Group's revenue, operating profits and net assets originate from operations in the UK. The Directors consider that the activities of the Group constitute a single business segment.

The split of revenue by geographical destination of the end customer can be analysed as follows:

	2023 £'000	2022 £'000
UK	539	119
Rest of Europe	906	992
Americas	9,879	7,801
Rest of World	786	1,013
	12,110	9,925

Analysis of revenue is as follows:

	2023 £'000	2022 £'000
Software licences	2,268	1,049
Professional services	2,526	2,210
Support and maintenance	7,316	6,666
	12,110	9,925

Two end customers made up more than 10% of the Group's revenue, contributing £4,385,000 (2022: one end customer contributing £2,535,000). Revenue of £4,994,000 (2022: £4,847,000) has been recognised that was included in the deferred revenue liability balances at the beginning of the year. The Group's deferred revenue liabilities typically arise from support and maintenance services for which revenue is recognised evenly over the maintenance period. Where the contract term is longer than 12 months it is shown in non-current liabilities totalling £550,000 (2022: £233,000). The maturity of non-current deferred revenue liabilities is £316,000 due within 1-2 years (2022: £212,000) and £234,000 due within 2-5 years (2022: £21,000).

3. Operating profit

Operating profit is stated after charging / (crediting):

	2023 £'000	2022 £'000
Staff costs (note 4)	9,027	7,819
Foreign exchange (gain) / loss	(19)	31
Depreciation of property, plant and equipment	66	70
Depreciation of right-of-use buildings	226	210
Depreciation of right-of-use equipment	20	27
Amortisation	83	-

Included in the staff costs above is research and development expenditure totalling £3,053,000 (2022: £2,953,000).

The analysis of auditor's remuneration is as follows:

	2023 £'000	2022 £'000
Fees payable for the audit of the parent company and consolidated financial statements	57	50
Fees payable for the audit of the Company's subsidiaries, pursuant to legislation	18	6
Tax services	3	-
	78	56

4. Staff Costs

The average monthly number of employees and contractors of the Group (including Executive Directors) was:

	2023 Number	2022 Number
Technical	**67**	62
Sales and marketing	**12**	12
Administration	**12**	10
	91	84

Their aggregate remuneration comprised:

	2023 £'000	2022 £'000
Wages and salaries	**7,764**	6,628
Social security costs	**939**	826
Other pension costs	**286**	269
Employee share option plan charge (note 16)	**50**	67
Employee share and unit incentive plan (credit)/charge (note 16)	**(12)**	29
	9,027	7,819

Pension contributions totalling £46,000 (2022: £46,000) are included within year end trade and other payables.

Directors' remuneration
The aggregate remuneration of the Directors was as follows:

	2023 £'000	2022 £'000
Emoluments	**908**	705
Social security costs	**110**	87
Company contributions to defined contribution pension scheme	**13**	11
Directors' share option plan charge	**42**	47
Directors' share and unit incentive plan charge	**(54)**	4
	1,019	854

Directors emoluments

	Salary and fees 2023 £'000	Bonus 2023 £'000	Benefit in kind 2023 £'000	Pension contributions 2023 £'000	**Total 2023 £'000**	Total 2022 £'000
Executive Directors:						
K van der Leest	230	254	-	2	**486**	328
A Walker (resigned 27.07.22)	61	-	-	3	**64**	226
N Patel (appointed 27.07.22)	152	70	1	8	**231**	-
Non-Executive Directors:						
C Pol	46	-	-	-	**46**	88
R Hoggarth	25	-	-	-	**25**	25
R Chandhok	25	-	-	-	**25**	24
T Whitley (appointed 01.07.22)	19	-	-	-	**19**	-
	558	324	1	13	**896**	691
Fees paid to related parties	25	-	-	-	**25**	25

Fees paid to related parties comprise amounts paid to Tredoux Capital Limited under an arrangement to provide the Group with the services of J Tredoux as a Non-Executive Director. J Tredoux is a Director of Tredoux Capital Limited.

Details of the Directors' share options are set out in the Directors' Report on pages 37 to 38.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2023

5. Finance income and costs

	2023 £'000	2022 £'000
Finance income		
Interest income on short term bank deposits	**130**	16
Finance costs		
Unwinding discount applied to contingent consideration	**(31)**	-
Interest in respect of lease liabilities	**(44)**	(83)
	(75)	(83)

6. Taxation

The tax credit comprises:

	2023 £'000	2022 £'000
Current year – UK corporation tax	**-**	-
Current year – US corporation tax	**(30)**	(33)
Research and development tax credits relating to prior years	**604**	433
Deferred tax on separately identifiable acquired intangibles	**111**	-
Taxation	**685**	400

The difference between the tax credit shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2023 £'000	2022 £'000
Profit before tax	**626**	323
Tax calculated at UK corporation tax rate of 19% (2022: 19%)	**(119)**	(61)
Enhanced research and development tax deduction	**650**	740
Research and development tax credits relating to prior years	**604**	433
Total fixed asset differences	**2**	2
Expenses not deductible for tax purposes	**(34)**	(38)
Deferred tax on creation of intangible asset	**113**	-
Foreign exchange & tax rate differences	**4**	2
Losses brought forward utilised	**16**	29
Losses carried forward	**(551)**	(707)
Tax credit for the year	**685**	400

The Group has unused tax losses of £9,946,000 (2022: £10,446,000) and unrecognised deferred tax assets of £2,486,000 (2022: £2,612,000) calculated at the corporation tax rate of 25% (2022: 25%), being the enacted rate at which the deferred tax assets would unwind, were they to be recognised. Intercede makes an R&D Claim as part of its annual tax return and can choose whether to carry taxable losses forward or to request a cash repayment from the UK government.

7. Earnings per share

	2023 £'000	2022 £'000
Profit for the year	**1,311**	723
	Number	Number
Weighted average number of shares – basic	**57,939,548**	57,265,739
– diluted	**60,595,485**	59,413,261
	Pence	Pence
Earnings per share – basic	**2.3p**	1.3p
– diluted	**2.2p**	1.2p

The weighted average number of shares used in the calculation of basic and diluted earnings per share for each year were calculated as follows:

	2023 Number	2022 Number
Issued ordinary shares at start of year	**57,743,357**	57,143,357
Effect of treasury shares	**(131,645)**	(112,412)
Effect of issue of ordinary share capital	**327,836**	234,794
Weighted average number of shares – basic	**57,939,548**	57,265,739
Add back effect of treasury shares	**131,645**	112,412
Effect of share options in issue	**2,524,292**	2,035,110
Weighted average number of shares – diluted	**60,595,485**	59,413,261

Please see note 12 for details of issues of ordinary share capital.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2023

8. Intangible assets

	Acquired intangible assets	Goodwill	**Total**
Cost	£'000	£'000	**£'000**
At 1 April 2021	-	-	**-**
Businesses acquired	-	-	**-**
At 1 April 2022	-	-	**-**
Businesses acquired	868	2,442	**3,310**
At 31 March 2023	**868**	**2,442**	**3,310**
Amortisation			
At 1 April 2021	-	-	**-**
Charge for the year	-	-	**-**
At 1 April 2022	-	-	**-**
Charge for the year	83	-	**83**
At 31 March 2023	**83**	**-**	**83**
Carrying amount			
At 31 March 2023	**785**	**2,442**	**3,227**
At 31 March 2022	-	-	**-**

Acquired intangible assets are made up of the separately identified intangibles acquired with the purchase of Authlogics Ltd in October 2022. See note 18 for further detail.

Impairment testing for goodwill
The Group identifies cash-generating units (CGUs) at the operating company level, as this represents the lowest level at which cash inflows are largely independent of other cash inflows. Goodwill acquired in a business combination is allocated, at acquisition, to the groups of CGUs that are expected to benefit from that business combination.

Goodwill at 31 March 2023 all relates to the acquisition of Authlogics Limited in October 2022. The CGUs of Authlogics Limited and the rest of Intercede plc are both expected to benefit from this acquisition and the cash flows are grouped for the purpose of the impairment review.

The Goodwill value has been tested for impairment by comparing it against the "value in use" in perpetuity of the CGU group. The value in use calculation was based on projected cash flows, derived from the latest forecasts prepared by management and budgets approved by the Board, discounted at a Group discount rate of 11.6% to calculate their net present value.

Key assumptions used in "value in use" calculations
The calculation of "value in use" is most sensitive to the CGU specific operating and growth assumptions, that are reflected in management forecasts for the five years to March 2028. The revenue growth rates used in the cash flow forecast are based on management's expectations of the future opportunities for the Intercede MyID platform and the ability to upsell additional authentication functionality to existing Intercede and Authlogics customers on a global basis.

The forecasts include the costs associated with bringing various authentication functionality under a single MyID platform, which is directly linked to the forecast sales growth. Given the stage of development of the business, the forecasts assume significant growth in revenue based on targeted total growth of 67% over the 5 year forecast period. Long-term growth rates to calculate the terminal value are capped at 4% for revenue and 3% for costs. The value in use calculation shows sufficient headroom of cash flow above the net assets value of the Group when the following sensitivity analysis is performed: either a 50% increase in the discount rate or a decrease in the terminal growth rate to 0% or a reduction in the targeted growth to 40% during the 5 year forecast period.

9 (a) Property, plant and equipment

	Leasehold improvements	Fixtures and fittings	Computer and Office equipment	**Total**
Cost				
At 1 April 2021	70	100	1,087	**1,257**
Additions	-	-	33	**33**
Disposals	-	-	(180)	**(180)**
At 1 April 2022	70	100	940	**1,110**
On Acquisition	-	1	22	**23**
Additions	-	-	70	**70**
Disposals	-	(3)	(165)	**(168)**
At 31 March 2023	**70**	**98**	**867**	**1,035**
Accumulated depreciation				
At 1 April 2021	70	85	948	**1,103**
Charge for the year	-	9	61	**70**
On disposals	-	-	(180)	**(180)**
At 1 April 2022	70	94	829	**993**
On acquisition	-	1	18	**19**
Charge for the year	-	5	61	**66**
On disposals	-	(3)	(165)	**(168)**
At 31 March 2023	**70**	**97**	**743**	**910**
Net book amount				
At 31 March 2023	**-**	**1**	**124**	**125**
At 31 March 2022	-	6	111	**117**

9 (b) Leases

All leases that are not classed as short-term or low value are recognised as a right-of-use asset and a corresponding lease liability, which is explained in detail in the Leased assets policy.

The Consolidated Balance Sheet shows the following amounts in relation to leases:

	2023 £'000	2022 £'000
Right-of-use assets		
Buildings	**262**	411
Equipment	**-**	20
	262	431
Lease liabilities		
Current	**261**	368
Non-current	**204**	388
	465	756

Notes to the Consolidated Financial Statements

For the year ended 31 March 2023

9. Leases (continued)

The maturity of lease liabilities is as follows:

	2023 £'000	2022 £'000
Due within one year	**261**	368
Due between one and two years	**128**	235
Due between two and five years	**76**	153
	465	756

The depreciation charged by each class of right-of-use asset and the interest expense in respect of lease liabilities is disclosed in notes 3 and 5 respectively. The total cash outflow for leases is disclosed within the Consolidated Cash Flow Statement.

10. Subsidiaries

	Country of incorporation	Class of shares	% held	Principal activity
Intercede Limited	England and Wales	Ordinary	100	Software developer
Intercede 2000 Limited	England and Wales	Ordinary	100	Dormant
Intercede MyID Inc.	USA	Common	100	Service provider
Intercede National Security Services LLC	USA	Common	100	Dormant
Authlogics Limited	England and Wales	Ordinary	100	Software developer

The Company's subsidiaries, all of which have been consolidated in the Group's financial statements at 31 March 2023, are as follows:

Intercede Limited, Intercede 2000 Limited and Authlogics Limited are registered at Lutterworth Hall, St. Mary's Rd, Leicestershire, LE17 4PS, UK. Intercede MyID Inc. is registered at 2711 Centerville Rd, Suite 400, Wilmington, New Castle, DE 19808, USA and Intercede National Security Services LLC is registered at 251 Little Falls Drive, Wilmington, New Castle, DE 19808, USA.

11. Trade and other receivables

	2023 £'000	2022 £'000
Trade receivables	**5,127**	4,303
Prepayments and accrued income	**280**	239
Other debtors	**82**	56
	5,489	4,598

The amount written off as irrecoverable during the year was £nil (2022: £151,000). The Group's customer base is predominantly made up of large corporates or government departments and there is virtually no history of trade receivables being uncollected. A credit loss allowance is only recognised in the very rare cases when recoverability is deemed to be improbable. The movement between the opening and closing credit loss allowance is outlined in the table below:

	2023 £'000	2022 £'000
At 1 April	**-**	(151)
Written off	**-**	151
At 31 March	**-**	-

Included within trade receivables are receivables with a gross carrying amount of £370,000 (2022: £340,000) which are past due. The level of trade receivables over 60 days old was £118,000 (2022: £4,000). The average age of the Group's trade receivables is 63 days (2022: 67 days).

12. Share capital

	2023 £'000	2022 £'000
Authorised		
481,861,616 ordinary shares of 1p each (2022: 481,861,616)	**4,819**	4,819
Issued and fully paid		
58,363,357 ordinary shares of 1p each (2022: 57,743,357)	**584**	577

The increase in issued and fully paid ordinary shares of 1p each represents the issue of 620,000 shares to facilitate the exercise of options by a Director in September 2022.

As at 31 March 2023, the Company had 131,645 ordinary shares held in treasury (2022: 131,645). During the year no options were exercised using treasury shares (2022: 67,500) and the Company purchased no ordinary shares (2022: 157,000 were purchased for a consideration of £155,000 to facilitate the exercise of options by senior managers during that year).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2023

13. Trade and other payables

	2023 **£'000**	2022 £'000
Trade payables	**296**	328
Taxation and social security	**173**	151
Accruals	**1,449**	985
	1,918	1,464

Included within accruals is £25,000 (2022: £79,000) relating to the Employee Unit Incentive Plan (note 16).

14. Financial Instruments

The numerical disclosures in this note deal with financial assets and financial liabilities. There is no material difference between the fair value and the book values disclosed. Short term trade receivables and payables have been excluded from the disclosures, with the exception of the currency disclosures.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, purchase existing shares, issue new shares, or sell assets to reduce debt.

The Group's financial instruments have historically comprised convertible loan notes, cash and cash equivalents, and various items such as trade receivables and payables which arise directly from its operations. The main purpose of these financial instruments has been to fund the Group's operations. It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken. The Group has no derivative financial instruments.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, credit risk and foreign currency risk. The Board reviewed these risks on an ongoing basis throughout the year. The policy for their management is summarised below:

Interest rate risk
The Group has financed its operations to date through a variety of sources of external finance primarily including equity and convertible loan notes, which have historically borne interest at fixed rates and denominated in sterling. The last tranche of convertible loan notes were issued in 2017 and successfully retired when a call notice was issued in February 2021, following which twelve out of thirteen noteholders elected to convert into new ordinary shares.

Liquidity risk
The Group's policy has been to ensure continuity of funding throughout the year through continued review of cash flow forecasts.

Credit risk
The Group's business model is to licence its technology and sell its products via partners who are typically major IT security industry players. Furthermore, at this stage in the development of the market for identity and credential management software, end user customers tend to be large corporates or government departments. As such, the inherent credit risk is relatively low.

Foreign currency risk

A number of suppliers invoice the Group in US dollars and Euros. The Group has also entered into a number of agreements to licence its technology and sell its products via other international organisations. This results in invoices being raised in currencies such as US dollars and Euros. The Group's current policy is not to hedge these exposures. The exchange differences are recognised in the statement of comprehensive income in the year in which they arise (note 3).

Interest rate profile

The Group has cash deposits of £8,334,000 (2022: £7,787,000) at the year end. This includes US dollar deposits of £1,152,000 (2022: £916,000) and Euro deposits of £67,000 (2022: £25,000). Interest rates on cash deposits are based on SONIA.

Maturity of financial liabilities

The Group has no external borrowings. The maturity of the Group's lease liabilities is disclosed in note 9(b). The only other financial liabilities are short term trade and other payables as outlined within note 13.

Borrowing facilities

The Group has no undrawn committed borrowing facilities (2022: £nil).

Currency exposures

The table below shows the Group's currency exposures; in other words, those transactional exposures that give rise to the net currency gains and losses recognised in the statement of comprehensive income. Such exposures comprise the monetary assets and monetary liabilities of the Group that are not denominated in the operating (or "functional") currency of the Group (sterling). These exposures were as follows:

	Net foreign currency monetary assets		
	US dollar	Euro	Total
	£'000	£'000	£'000
At 31 March 2023	**5,802**	**200**	**6,002**
At 31 March 2022	4,997	117	5,114

15. Financial commitments

a) Capital commitments

The Group had no capital commitments at the year end (2022: £nil).

b) Short-term and low-value leases

The Group had no annual commitments under short-term and low-value leases at the year end (2022: £nil).

16. Share based payments

The Directors' Report on pages 37 to 41 provides details of the status of share options granted since a Share Option Plan was introduced for senior executives on 22 July 2011. Details relating to the options that remain outstanding as at 31 March 2023 are outlined below.

Options were granted on 19 October 2018, 24 October 2018, 27 March 2019, 22 August 2019 and 10 October 2022 with a contractual life of 10 years. The fair value of the options granted was determined using a Monte Carlo valuation model and includes share price targets, as disclosed in the Directors' Report.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2023

16. Shared based payments (Continued)

The Growth Share Scheme

Launched in October 2022, the Growth Share Scheme allocated new shares (the “Growth Shares”) in a subsidiary company, Intercede Limited, which were purchased at nominal cost and awarded to the CEO as disclosed in the Directors’ Report. The Growth Share Scheme will commence partial vesting if, in the 30-day period following the release of Group’s results for the year ended 31 March 2025 (the “Vesting Period”), the average closing mid-market price of an Ordinary Share equals or exceeds 121 pence per Ordinary Share. The Growth Shares do not carry any voting rights nor entitlement to any dividend.

Performance criteria and vesting criteria

The number of Growth Shares exchangeable into Ordinary Shares depends on the average price of an Ordinary Share during the Vesting Period. A 30-day averaging period will be used to measure the price of an Ordinary Share achieved to ensure that performance will not be unduly impacted by short-term volatility. The value of the Growth Shares is calculated by applying a 5% premium to the base share price of 66 pence (“Base Price”).

- At 121 pence (an 83% per cent. increase from the Base Price) per Ordinary Share or below, no value is delivered to participants;
- At 173 pence (a 162% per cent. increase from the Base Price) per Ordinary Share, the Growth Share Scheme will be awarded in full; and
- Between 121 pence per Ordinary Share and 173 pence per Ordinary Share, the Growth Share Scheme award increases on a sliding scale up to the maximum award.

For the Growth Share Scheme to vest in full, the share price of the Company will need to increase by approximately 162% from the Base Price, representing an increase in market capitalisation of approximately £101m.

Participants have 60 days following the Vesting Period to exchange the Growth Shares into Ordinary Shares. Any Growth Shares outstanding on the long stop date (being 60 days after the Company’s results for the year ended 31 March 2025 are announced) will automatically be converted to deferred shares. Deferred shares have no rights and no entitlement to capital in the Company.

The fair value of options and Growth Shares granted and the assumptions used in the calculations were as follows:

Grant date	19-Oct-18			24-Oct-18			27-Mar-19			22-Aug-19			10-Oct-22	
	Options			Options			Options			Options			Options	Growth Shares
Share price at grant date (pence)	27.0	27.0	27.0	24.5	24.5	24.5	17.0	17.0	17.0	33.2	33.2	33.2	38.0	66.0
Exercise price (pence)	27.0	27.0	27.0	24.5	24.5	24.5	17.0	17.0	17.0	33.2	33.2	33.2	38.0	66.0
Number of employees granted options	2	2	2	2	2	2	1	1	1	1	1	1	5	1
Number of shares originally under option	850,000	400,000	400,000	300,000	150,000	150,000	75,000	37,500	37,500	75,000	37,500	37,500	1,700,000	1,785,705
Expected vesting period (years)	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Expected option life (years)	7	7	7	7	7	7	7	7	7	7	7	7	7	3
Expected volatility (%)	58.68	66.77	66.77	58.73	66.77	66.77	61.00	66.77	66.77	68.60	66.77	66.77	57.77	57.77
Risk free rate (%)	1.23	0.76	0.76	1.11	0.76	0.76	0.70	0.76	0.76	0.34	0.76	0.76	2.25	2.25
Expected dividends expressed as a dividend yield (%)	3	3	3	3	3	3	3	3	3	3	3	3	0	0
Fair value per option (pence)	12.0	59.0	57.0	10.0	60.0	58.0	7.0	63.0	60.0	17.0	56.0	55.0	7.9	4.8

The expected volatility is based on three year historical volatility. The risk free rate of return is the yield on zero-coupon UK government bonds of a term consistent with the assumed option life.

The total charge for the year relating to employee share options was £50,000 (2022: £67,000). Share options outstanding at the year end have a weighted average contractual life of 5.9 years (2022: 6.7 years).

In February 2014, HM Revenue & Customs approved an equity-settled Share Incentive Plan (SIP) for all UK employees (including the Executive Directors), which includes Free Share, Partnership Share and Matching Share elements.

No Free Share awards were made during the year ended 31 March 2023. Partnership shares could be subscribed for by employees via salary deductions, either on a monthly or lump sum basis, to a cumulative value of up to £1,800. Matching Shares were given to employees on the basis of one Matching Share for each Partnership Share.

Free Share and Matching Share awards to date have generally been met by the transfer of ordinary shares held in treasury and from continued on market purchases either by the Company or Link Market Services Trustees Limited as Trustee of the SIP. To the extent that ordinary shares are not available in treasury or in the volume required through the market, the Company has issued new ordinary shares to meet these awards.

The total charge for the year relating to the employee share incentive plan was £43,000 (2022: £26,000).

In October 2014, the Company introduced a unit incentive plan to provide similar benefits for all US employees. The plan provides phantom shares or units, equivalent in value to shares in the company, and the plan is cash-settled.

The total credit for the year relating to the employee unit incentive plan was £51,000 (2022: £9,000 charge) as outlined in the table below:

	2023 £'000	2022 £'000
At 1 April	**79**	70
Additional (credit) / charge	**(51)**	9
Paid during the year	**(3)**	-
At 31 March	**25**	79

17. Related party transactions

During the year ended 31 March 2023, J Tredoux served as a Non-Executive Director. J Tredoux is also a director of Tredoux Capital Limited. Fees charged by Tredoux Capital Limited to the Group in respect of his services as a Non-Executive Director and balances outstanding at the year ends were as follows:

	2023 £'000	2022 £'000
Consultancy fees charged	**25**	25
Balance outstanding at the year end	**8**	13

Notes to the Consolidated Financial Statements

For the year ended 31 March 2023

18. Businesses acquired - Authlogics Ltd

On 7 October 2022, the Group acquired 100% of the equity of Authlogics Ltd ("Authlogics"), a UK-based business.

Authlogics, which is based in Bracknell and was founded in June 2015, is a Multi Factor Authentication ('MFA') and Password Security Management ('PSM') software vendor and the only business to cover all three key authentication segments (password security management, password breach database and multi factor authentication) with a seamless integrated solution.

The acquisition of Authlogics enables the Group to deliver on the strategic vision of addressing the entire authentication pyramid, beyond its current position in the Public Key Infrastructure Credential Management System ('PKI CMS') segment. The addition of the Authlogics products will allow the Intercede Group to support its customers and prospects wherever they are in their authentication journey and enlarges the addressable market.

The details of the business combination are as follows:

	2022 £'000
Fair value of consideration	
Amount settled in cash	1,708
Contingent consideration (subject to achievement of revenue growth targets over three years)	456
Total consideration	2,164
Identifiable net liabilities (recognised at fair value)	
Other intangibles	868
Property, plant and equipment	4
Trade and other receivables	119
Cash	39
Total assets	1,030
Trade and other payables	(190)
Deferred revenue (current)	(387)
Deferred revenue (non-current)	(280)
Deferred tax liability (net of related deferred tax asset)	(111)
Amounts owed to parent company	(340)
Total liabilities	(1,308)
Net liabilities	(278)
Goodwill on acquisition	**2,442**
Consideration settled in cash	1,708
Debt repaid	340
Cash and cash equivalents acquired	(39)
Net cash outflow on acquisition	**2,009**

18. Businesses acquired - Authlogics Ltd

Consideration transferred

The acquisition of Authlogics was settled in cash amounting to £1,708,000. Acquisition related costs amounting to £227,000 were expensed. Debt owed by Authlogics of £340,000 was discharged on acquisition.

Identifiable net liabilities

The fair value of identifiable net liabilities acquired as part of the business combination amounted to £278,000, with a gross contractual amount also being £278,000. As of the acquisition date, the Group expected to pay the full balance of the contractual cashflow.

Separable intangible assets

One separable intangible asset was identified at acquisition, being the acquired customer relationships. The acquired customer list was valued by assessing a discounted cashflow based on expected customer attrition rates and using the Group discount factor of 11.6%. The useful life has been estimated at 5 years.

Goodwill

Goodwill is primarily related to the core growth expectations that are expected from combining Authlogics and Intercede's technologies and upselling this to existing customers.

Authlogics contribution to the Group results

Authlogics generated a loss of £117,000 for the period from 7 October 2022 to the reporting date. Revenue for the period to 31 March 2023 was £261,000. In its financial year ending 30 June 2022, Authlogics' sales were approximately £406,000 with loss before tax of £260,000 and net liabilities (including cash) amounting to £716,000. If the businesses had been consolidated during that period, approximately £200,000 would have been added to Group sales per annum.

Company Balance Sheet

As at 31 March 2023

	Notes	2023 £'000	2022 £'000
Non-current assets			
Investments	3	**6,034**	5,994
Current assets			
Trade and other receivables	4	**4,841**	4,546
Total assets		**10,875**	10,540
Equity			
Share capital	5	**584**	577
Share premium		**5,430**	5,268
Retained earnings		**4,837**	4,616
Total equity		**10,851**	10,461
Current liabilities			
Trade and other payables	6	**24**	79
Total liabilities		**24**	79
Total equity and liabilities		**10,875**	10,540

The amount of profit dealt with in the Company financial statements was £182,000 (2022: £1,000).

The financial statements on pages 70 to 75 were authorised for issue by the Board of Directors on 19 June 2023 and were signed on its behalf by:

K van der Leest **Director**

N Patel **Director**

The accompanying notes on pages 70 to 75 are an integral part of these financial statements.

Intercede Group plc: Registered No. 04101977.

Company Statement of Changes in Equity

For the year ended 31 March 2023

	Share capital £'000	Share premium £'000	Retained earnings £'000	**Total Equity £'000**
As at 1 April 2021	571	5,138	4,709	**10,418**
Purchase of own shares	-	-	(187)	**(187)**
Issue of new shares	6	130	-	**136**
Employee share option and share incentive plan charges	-	-	93	**93**
Profit for the year and total comprehensive income	-	-	1	**1**
As at 31 March 2022	577	5,268	4,616	**10,461**
Purchase of own shares	-	-	(54)	**(54)**
Issue of new shares	7	162	-	**169**
Employee share option and share incentive plan charges	-	-	93	**93**
Profit for the year and total comprehensive income	-	-	182	**182**
As at 31 March 2023	584	5,430	4,837	**10,851**

Note: see page 50 for a description of the reserves appearing in the column headings of the table above.

The accompanying notes on pages 72 to 75 are an integral part of these financial statements.

Notes to the Company Financial Statements

For the year ended 31 March 2023

1. Accounting policies

The Company is a holding company which was set up to facilitate the admission of the Group onto the AIM section of the London Stock Exchange. It does not trade and it has no employees or staff costs and is therefore not required to display a staff costs note. The Directors of the Company were paid by Intercede Ltd for their services to the Group, see remuneration report on page 57 for further details.

Basis of Preparation

The financial statements have been prepared on the going concern basis in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006. The Company has taken advantage of Section 408 of the Companies Act 2006 not to present its own statement of comprehensive income.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

(a) The requirements of IAS 7 'Statement of cash flows';

(b) The requirements of IFRS 7 'Financial Instruments: Disclosures';

(c) The requirements of paragraphs 45(b) and 46-52 of IFRS 2 'Share Based Payment';

(d) The requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements';

(e) The requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors';

(f) The requirements of paragraphs 91-99 of IFRS 13 'Fair Value Measurement'; and

(g) The requirements of paragraphs 17-19 of IAS 24 'Related Party Disclosures'.

As outlined in note 1 to the consolidated financial statements, the Directors consider that the going concern assumption is appropriate and therefore the Company's financial statements have been prepared on a going concern basis under the historical cost convention.

A summary of the principal accounting policies, which have been applied consistently, is set out below.

Critical accounting estimates and judgements

The preparation of financial statements in accordance with FRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

The accounting estimate that has the most risk of causing a material adjustment to the amounts recognised in the financial statements is the judgement relating to amounts owed by subsidiary undertakings. The Company makes an estimate of the recoverable value of amounts owed by subsidiary undertakings. When assessing impairment of amounts owed by subsidiary undertakings, management considers factors including the ability to repay the amount owed on demand through the availability of cash at hand discounted to the year end date.

Investments

Investments held as fixed assets are stated at cost less provision for impairment in value.

Amounts owed by subsidiary undertakings

The Company has amounts receivable from other Group companies which are measured at amortised cost less impairment losses. The Directors assess periodically whether there has been a significant increase in credit risk. Where there has been a significant increase in credit risk, lifetime expected credit losses are calculated by considering, on a discounted basis, the cash shortfalls that would be incurred over the remaining lives of the assets.

Taxation

The tax expense represents the sum of current and deferred tax. UK corporation tax is provided at amounts expected to be paid (or recovered) and the current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax is recognised using the balance sheet liability method for all temporary differences, unless specifically exempt, at the tax rates that have been enacted or substantively enacted at the balance sheet date.

A deferred tax asset represents the amount of income taxes recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits. Deferred tax assets are only recognised to the extent that it is more likely than not that taxable profits will be available against which deductible temporary differences can be utilised.

Share-based payments

The equity-settled share option programme allows employees to acquire shares of the Company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of all the options granted are measured using the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms of the grant. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is due only to share prices not achieving the threshold for vesting.

Share options made available to employees of the Company's subsidiaries are treated as increases in equity over the vesting period of the award, with a corresponding increase in the Company's investment in subsidiary undertaking based on an estimate of the number of shares that will eventually vest.

Adoption of new accounting standards

The Company has applied the following standards and amendments for the first time for the annual reporting period commencing on 1 April 2022: 2018-2020 annual improvements cycle, IAS 16 amendments regarding proceeds before intended use, IAS 37 amendments regarding onerous contracts and IFRS 3 amendments updating a reference to the Conceptual Framework. None of the amendments had a material impact on the Company's financial statements for the year ended 31 March 2023.

At the balance sheet date there are a number of new standards and amendments to existing standards in issue but not effective. The Company intends to adopt these standards when they become effective, none of which are expected to have a material impact on the Company.

Notes to the Company Financial Statements

For the year ended 31 March 2023

2. Auditor's remuneration

Fees payable to the Company's auditors for the audit of the parent company are £2,000 (2022: £2,000).

3. Investments

	2023 £'000	2022 £'000
At 1 April	**5,994**	5,892
Additions	**40**	102
At 31 March	**6,034**	5,994

Additions in the year of £40,000 (2022: £102,000) reflect the employees of the Company's subsidiaries share option, incentive and unit plan charges net of any credits or payments relating to the unit plan. Investments have been assessed in full and it has not been necessary to recognise any impairment. Hence, they are all stated at cost.

The Company's subsidiaries at 31 March 2023 and their registered offices are set out in note 10 of the consolidated financial statements.

4. Trade and other receivables

	2023 £'000	2022 £'000
Amounts owed by subsidiary undertakings	**4,841**	4,546

Amounts owed by subsidiary undertakings are unsecured, interest free and have no fixed date of repayment and are repayable on demand. No impairment was identified in respect of this as at the year end.

5. Share capital

	2023 £'000	2022 £'000
Authorised		
481,861,616 ordinary shares of 1p each (2022: 481,861,616)	**4,819**	4,819
Allotted and fully paid		
58,363,357 ordinary shares of 1p each (2022: 57,743,357)	**584**	577

The increase in issued and fully paid ordinary shares of 1p each represents the issue of 620,000 shares to facilitate the exercise of options by a Director in September 2022.

As at 31 March 2023, the Company had 131,645 ordinary shares held in treasury (2022: 131,645). During the year no options were exercised using treasury shares (2022: 67,500) and the Company purchased no ordinary shares (2022: 157,000 were purchased for a consideration of £155,000 to facilitate the exercise of options by senior managers during that year).

6. Trade and other payables

	2023 £'000	2022 £'000
Accruals	**24**	79

7. Financial commitments

a) Capital commitments

The Company had no capital commitments at the year end (2022: £nil).

b) Short-term and low-value leases

The Company had no annual commitments under short-term and low-value leases at the year end (2022: £nil).

Intercede Group plc

Notice of Annual General Meeting

Notice is hereby given that the 23rd Annual General Meeting of Intercede Group plc (the "Company") will be held at the Wycliffe Rooms, George Street, Lutterworth, Leicestershire, LE17 4ED on 21 September 2023 at 12 pm for the purposes outlined below.

Ordinary Business

To consider and, if thought fit, pass the following resolutions which will be proposed as ordinary resolutions of the Company.

1 To receive and to adopt the Company's financial statements for the year ended 31 March 2023 together with the reports of the Directors and the auditors.

2 To re-elect Royston Hoggarth as a director.

3 To re-elect Jacques Tredoux as a director.

4 To re-elect Klaas van der Leest as a director.

5 To re-elect Nitil Patel as a director.

6 To re-elect Tina Whitley as a director.

7 To appoint John Linwood as a director.

8 To appoint Cooper Parry Group Limited to hold office as auditors until the next Annual General Meeting, and to authorise the Directors to determine the remuneration of the auditors.

Special Business

To consider and, if thought fit, pass resolution 9 which will be proposed as an ordinary resolution of the Company and resolutions 10 to 13 which will be proposed as special resolutions of the Company.

9 THAT,

a. The Directors be generally and unconditionally authorised, in accordance with section 551 of the Companies Act 2006 (the "Act"), to exercise all powers of the Company to allot relevant securities (as defined in sections 549(1)-(3) of the Act) up to a maximum nominal amount of £192,165.00 (being 33% of issued ordinary share capital);

b. This authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, the date falling fifteen months from the passing of this resolution (unless renewed, varied or revoked by the Company prior to or on such date);

c. The Company may, before this authority expires, make an offer or agreement which would or might require relevant securities to be allotted after it expires; and

d. All previous unutilised authorities under section 551 of the Act shall cease to have effect (save to the extent that the same are exercisable pursuant to section 551(7) of the Act by reason of any offer or agreement made prior to the date of this resolution which would or might require relevant securities to be allotted on or after that date).

10 THAT,

a. The Directors be given power:

(i) (Subject to the passing of resolution 9) to allot for cash equity securities (as defined in section 560(1) of the Act for the purposes of section 561 of the Act) pursuant to the general authority conferred on them by that resolution; and

(ii) To allot equity securities (as defined in section 560(2) of the Act),

In either case as if section 561(1) of the Act did not apply to the allotment but this power shall be limited:

(A) To the allotment of equity securities in connection with an offer or issue to or in favour of ordinary shareholders on the register on a date fixed by the Directors where the equity securities respectively attributable to the interests of all those shareholders are proportionate (as nearly as practicable) to the respective numbers of ordinary shares held by them on that date but the Directors may make such exclusions or other arrangements as they consider expedient in relation to fractional entitlements, legal or practical problems under the laws in any territory or the requirements of any relevant regulatory body or stock exchange; and

(B) To the allotment (other than under (A) above) of equity securities having a nominal amount not exceeding in aggregate £58,232.00 (being 10% of issued ordinary share capital).

b. This power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, the date falling fifteen months from the passing of this resolution (unless renewed, varied or revoked by the Company prior to or on such date);

c. All previous unutilised authorities under section 570 of the Act shall cease to have effect; and

d. The Company may, before this power expires, make an offer or agreement which would or might require equity securities to be allotted after it expires.

11 THAT,

a. The Directors be given the general power under Section 570 of the Act:

(iii) Subject to the passing of resolution 9), to allot equity securities (as defined in section 560 of the Act) for cash, pursuant to the authority conferred by resolution 9, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:-

(A) The allotment of equity securities having an aggregate nominal amount of up to £58,232 (being 10% of the issued ordinary share capital); and

(B) Used only for the purposes of financing (or refinancing, if the authority is to be used within six months of the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice.

b. The power granted by this resolution will expire on the earlier of the conclusion of the next annual general meeting of the Company or, if earlier, the date falling fifteen months from the passing of this resolution (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

c. This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if Section 561(1) of the Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such powers.

12 THAT, in accordance with article 10 of the Company's articles of association and the Act, the Company is generally and unconditionally authorised to make market purchases (within the meaning of section 693 of the Act) of ordinary shares of 1 pence each in the capital of the Company (Ordinary Shares) on such terms and in such manner as the Directors of the Company may determine provided that:

a. The maximum number of Ordinary Shares that may be purchased under this authority is 5,823,171 (being 10% of issued ordinary share capital);

b. The maximum price which may be paid for any Ordinary Share purchased under this authority shall not be more than an amount equal to 105% of the average of the middle market prices shown in the quotations for the Ordinary Shares in the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Ordinary Share is purchased. The minimum price which may be paid shall be the nominal value of that Ordinary Share (exclusive of expenses payable by the Company in connection with the purchase);

c. This authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, or, if earlier, the date falling fifteen months from the passing of this resolution (unless renewed, varied or revoked by the Company prior to or on such date); and

d. The Company may make a contract or contracts to purchase Ordinary Shares under this authority before its expiry which will or may be executed wholly or partly after the expiry of this authority and may make a purchase of Ordinary Shares in pursuance of any such contract.

13 That with effect from the conclusion of the meeting, article 97.1 of the articles of association of the Company be amended such that the aggregate of the fees payable to the Directors (other than Directors holding executive office and alternate directors) shall not exceed £175,000.

By order of the Board

Nitil Patel
Company Secretary
28 July 2023

Registered Office
Lutterworth Hall
St. Mary's Road
Lutterworth
Leicestershire
LE17 4PS

Notes:

1. A member is entitled to appoint a proxy to exercise all or any of his rights to attend and to speak and vote instead of him at the meeting. A member may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by them. A proxy need not be a member of the Company.
2. The form of proxy and power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of such power or authority must be received by the Company's registrars not later than 48 hours before the time appointed for the meeting. Completion and return of the form of proxy will not prevent you from attending and voting at the meeting instead of the proxy, if you wish.
3. Only shareholders entered on the register of members of the Company at 6:00 pm on 19 September 2023 are entitled to attend the meeting either in person or by proxy and the number of ordinary shares then registered in their respective names shall determine the number of votes such persons are entitled to cast on a poll at the meeting. Shareholders are urged to appoint the Chairman of the Meeting as their proxy, as only one other Director will be in attendance to ensure the Annual General Meeting is quorate.
4. In order to be valid, a proxy appointment must be made and returned by one of the following methods:

   (a) By completion of the Form of Proxy, in hard copy form by post, or by courier to the registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY ("the Registrar");

   (b) By appointing your proxy electronically via the Registrar's website at www.investorcentre.co.uk/eproxy. You will need your Control Number, SRN & PIN which can be found on your Form of Proxy or email notification, or;

   (c) In the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

   For an instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK and Ireland Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID3RA50) by 12.00 pm on 19 September 2023. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

5. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK and Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and where applicable, their CREST sponsors or voting system providers, are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
6. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.
7. As at 28 July 2023 the Company's issued ordinary share capital consists of 58,363,357 shares. The total voting rights in the Company as at 28 July 2023, as adjusted for 131,645 treasury shares, are 58,231,712.
8. Copies of the service contracts of the executive directors and the non-executive directors' terms of appointment are available for inspection at the registered office of the Company during normal business hours from the date of this notice and at the place of the meeting for a period of at least 15 minutes prior to the meeting until its conclusion.

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For our full list of advisers, please see our website
www.intercede.com/company/investor-relations/advisers/