8 December 2022

GRC International Group Plc

Strong growth in forward visibility and widening margin underpin outlook

GRC International Group plc (AIM: GRC), an integrated cyber security and privacy solutions business, announces its unaudited interim results for the six months ended 30 September 2022.

Financial highlights

- Revenue up 11% to £7.3m (H1 FY22: £6.6m).
    - International revenue up 14% to £1.6m (H1 FY22: £1.4m).
    - SaaS division revenue up 31% – investment in high-margin and scalable recurring revenue products paying off.
- Recurring and contracted revenue up 33% to £5.3m (H1 FY22: £4.0m).
- 73% (FY22: 61%) of revenue generated from recurring and contracted revenue contracts.
- Gross margin of 60% (H1 FY22: 58%) – continued improvement reflects operational gearing from subscription services and internal efficiencies from automation projects.
- EBITDA[1] of £0.4m (H1 FY22: £0.4m).
- Loss before tax of £0.5m (H1 FY22: £0.5m loss).
- Net cash at period end of £0.2m (H1 FY22: £0.1m). Borrowings (excluding lease obligations) £0.8m (FY22 £1.1m).

Operational highlights

- Revenue from existing customers up to 71% of total revenue (H1 FY22: 57%).
- Active SaaS subscriptions up 7% to 5,100 (H1 FY22: 4,700).
- Successful launch of Payment Card Industry (PCI) Qualified Security Assessor (QSA) services in the US.
- First contracts signed for innovative SWIFT security consultancy service.
- Web transactions up 22% to 4,400 (H1 FY22: 3,600) and website visits up by 2% to over 2.1m.
- Group NPS (net promoter score) improved to 54 (H1 FY 22: 33). Scores over 50 indicate customer service rating of 'Excellent'.

[1] EBITDA is defined within the Financial Review of this announcement.

Alan Calder, Chief Executive Officer, said:

"Our revenues, including recurring and contracted revenues, all grew strongly. Despite inflationary pressures on our operating costs, we continue to achieve improvement in gross margin.

"In addition to the two certainties of life – death and taxation – there is now a third: cyber attack, be it of corporates or individuals. The jump in cyber-crime insurance premiums is testament to the growth of cyber criminals' capabilities and scale. Despite the current challenging economic environment, for finance teams and boards to short-sightedly throttle back on cyber security investments is tantamount to an act of self-harm. It is not a question of if but when all organisations are attacked by cyber criminals, and so the services GRCI provides are of critical importance.

"We continued to invest heavily in our higher-margin and faster-growing SaaS and e-commerce businesses, both in people and systems, which we expect to underpin our profitable growth in H2 and the following financial years. We continue to trade in line with market expectations."

Enquiries:

GRC International Group plc Alan Calder, Chief Executive Officer Christopher Hartshorne, Finance Director	**+44 (0) 330 999 0222**
Singer Capital Markets (Nominated Adviser and Joint Broker) Phil Davies, James Fischer	**+44 (0)20 7496 3000**
Dowgate Capital Limited (Joint Broker) James Serjeant, Russell Cook, Nicholas Chambers	**+44 (0) 20 3903 7715**

Meare Consulting **+44 (0) 7990 858548**
Adrian Duffield

About GRC International Group plc ("GRC" or "the Group")

GRC is an international governance, risk management and compliance company whose main business is cyber defence in depth.

A technology business, its proprietary premier brands including the market leader, IT Governance, offer 'Our expertise, your peace of mind' for GRC's wide range of domestic and international corporate customers across all industrial sectors.

GRC's three operating divisions – Software as a Service (SaaS), E-Commerce and Services – offer a wide range of products and services encompassing: IT governance, risk management, compliance with data protection and cyber security regulations, online and in-person training and staff awareness, consultancy, online publishing and distribution, as well as software. The Group's capabilities also include products and services to enable corporates to address wider governance issues, such as money laundering and bribery.

In addition to its UK business, GRC has operations in the EU, US and Asia-Pacific regions.

Chief Executive Review

Cyber security market

The dynamics for the cyber security market largely remain unchanged.

The cyber security market is forecast to grow strongly to £353 billion by 2025, at a 14.5% CAGR,[1] with sophisticated cyber criminals and nation-state bad actors outperforming their targets. Countries such as Russia, North Korea and Iran use cyber attacks against their enemies, both to disrupt critical national infrastructure and to generate hard currency. The attack surface continues to expand dramatically with millions more insecure and exploitable network endpoints due to the increasingly widespread use of IoT (Internet of Things) and remote/hybrid working.

Digital transformation and hybrid working initiatives continue to bring new and different risks. Combined with customer and supply chain pressure to improve security and privacy, and proliferating national and international data protection regulations, cyber and privacy risk is a critical issue for all organisations.

The global shortage in qualified security and privacy professionals continues.[2] There are millions of vacancies. It is increasingly difficult, therefore, for most organisations to manage day-to-day cyber security and privacy compliance activity in-house, let alone cope with a large-scale cyber attack.

Yet, although a catastrophic ransomware or cyber attack is the number one concern for 47% of companies (double the number in 2021), the reality is that only 20% of company boards are paying attention.[3] At the same time, cyber insurance premiums have increased significantly, the pool of available cyber insurers has shrunk, and the availability of cyber insurance is increasingly dependent on evidence of adequate cyber defence. These factors will generate significant opportunities for the Group. However, it will be somewhat dependent on companies taking more proactive steps to address the issues they face.

Geopolitical instability and macroeconomic headwinds are encouraging finance teams and boards to short-sightedly throttle back on cyber security investments, particularly in the key area of developing internal cyber skills. This will see many more organisations attempting to remediate cyber attacks at cost levels 10 to 100 times greater than an appropriate cyber defence-in-depth investment might have required. And, if they survive the attack, they will still have to make the cyber defence investment – because cyber attackers are increasingly re-attacking previously breached organisations that haven't yet been able to build adequate defences.

This remarkable combination of factors will unquestionably drive longer-term demand for high-margin recovery services and rapid, high-cost deployment of post-event cyber defences, albeit in the shorter term there will be challenges in persuading companies to make this critical investment.

Tightening cyber insurance prerequisites, growing regulatory pressure across the world, direct personal cyber-compliance exposure for directors, and proliferating up-stream customer due diligence will, through the next 12 months and beyond, combine to fuel a surge in cyber investment and provide significant opportunities for the Group.

H1 trading performance

GRC's experience in H1 FY23 very much reflects the global picture. While our enquiry levels continued to be strong, sales cycles are extended. This was compounded by the UK government dithering over retained EU regulation, including UK GDPR, combined with the delayed publication of the revised ISO/IEC 27001 information security management standard. The latter slowed sales of our training courses while boosting training deferred income to a record £0.5m at the end of H1 – which bodes well for H2 training revenues.

Against this backdrop, GRC's H1 results were in line with our expectations. Revenue was up 11%, recurring and contracted revenue was up 33% and gross margin improved by 200 basis points to 60%, reflecting the investment in high-margin and highly scalable recurring revenue products.

Despite investment in our workforce as well as absorbing the inflationary cost increases that go with providing high-value consultancy services, our H1 EBITDA matched the prior year's H1 result at £0.4m. The investment, funded by H1 growth, is expected to fuel further future growth in H2 and beyond. Cash outflow and the working capital cycle was in line with planned investment, and our debt reduced.

Strategy

Our strategy is to grow internationally, organically and by acquisition. We have a blue-chip and broad customer base. Our widening portfolio of income streams enables us to provide an increasing number of value-added and complementary services to our growing roster of international customers.

The GRC fully integrated and comprehensive 'one-stop' offering is focussed on people and process. It is uniquely positioned to help organisations of all sizes deal with the cyber-crime current and future challenges. From emergency response and data breach services

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[1] Cybersecurity Market Trends, Size| Industry Growth 2021 to 2026 With COVID Impact – Mordor Intelligence.

[2] Cybersecurity Jobs Report: 3.5 million Openings In 2025 – cybersecurityventures.com.

[3] Marsh Commercial: New catastrophic risks and insurance market challenges (March 2022).

through to integrated cyber defence-in-depth and regulatory compliance offerings, GRC responds quickly to customer requirements.

Our continuing investment in building and improving our online subscription services is driving continual improvements in customer retention and forward revenue visibility, which will widen our gross margin due to the inherent operational gearing in the business.

In addition to building our own IP, we have a strategic focus on our SEO (search engine optimisation). This enables us to dominate search terms, widen our ecosystem, cross-sell more products and services, and drive new online sales.

The fragmented market and our strengthening balance sheet will provide us with opportunities to enhance our capabilities by acquiring products and services both domestically and internationally.

Current trading and outlook

We expect the current conflict between the caution and general cost management agenda of company boards and the clear and present danger that is cyber risk to resolve itself over the medium term in favour of widespread investment in building cyber defence in depth and cyber resilience. The Board believes that the Group is extremely well placed to capitalise on this opportunity as it occurs.

We continue to invest in our E-Commerce and SaaS divisions, and back-office automation. These are clearly a competitive advantage and the roll out of these developments, together with extensive improvements in our outbound lead generation capabilities, will support revenue growth in H2 and particularly in Q4, which is traditionally our busiest period of the financial year.

We expect that our current sales and billings, marketing and delivery activities, supported by deployment of SaaS and e-commerce investments, the October publication of ISO/IEC 27001:2022 and our seasonally strong Q4 will enable us to achieve our FY23 financial objective. Current trading remains in line with market expectations.

Alan Calder
Chief Executive Officer

Financial Review

Revenue
Revenue for the six months ended 30 September 2022 was up 11% to £7.3m (H1 FY22: £6.6m) despite the extension in sales cycles.

International revenue was up 14% to £1.6m (H1 FY22: £1.4m), representing 22% (H1 FY22: 21%) of total Group revenue. Revenue growth in the US was notable at 40% to £0.7m (H1 FY22: £0.5m). The Group services most of its US based clients through its IT Governance USA business and most of its European clients through its IT Governance EU business, invoicing in USD and EUR respectively. The use of local staff and suppliers means costs incurred in local currency are a natural partial hedge against foreign exchange risk.

Recurring and contracted revenue showed strong growth up 33% to £5.3m (H1 FY22: £4.0). This accounts for 73% of total revenue (H1 FY22: 61%).

The most significant revenue growth was in the SaaS division, up 31%, where the Group's investment in developing its high-margin and highly scalable recurring revenue products is beginning to pay off.

The E-Commerce division, which includes sales of public training courses and documentation toolkits, is subject to seasonality and is more sensitive than the Group's other divisions to changes in macroeconomic circumstances. The comparative period benefited from an element of post-pandemic bounce back. This year saw a more traditional summer holiday season followed by the unexpected disruption of an additional bank holiday and period of national mourning due to the Queen's death.

£'m	Services	Software as a Service (SaaS)	E-Commerce	Total
H1 FY23	3.6	2.1	1.6	7.3
H1 FY22	3.2	1.6	1.8	6.6
FY FY22	6.6	3.7	3.6	13.9

Period-on-period %	Services	Software as a Service (SaaS)	E-Commerce	Total
H1 FY23 vs H1 FY22	13%	31%	(11)%	11%

Billings
Billings were up 3% to £7.3m (HY FY22: £7.1m). The shift towards recurring and contracted revenue means billings are more closely aligned with revenue than has been the case historically. Billings equate to the total value (net of VAT) of invoices raised and cash sales through the Group's websites. Billings is considered by the Board to be a key metric for managing the business due to billings' direct relationship with cashflow.

Gross profit
Gross profit was up 16% to £4.4m (H1 FY22: £3.8m) with gross margin also up by 200 basis points to 60% (H1 FY22: 58%).

The majority of the Group's direct cost base relates to headcount for consultants and client delivery staff. There have been operational improvements throughout many parts of the Services division, which have driven improved consultant utilisation rates and other efficiencies resulting from the Group's internal automation projects.

This, along with the Group's focus on higher-margin subscription services, has driven the overall improvement in margin. In particular, the growth in retainer-type arrangements for some contracts has driven margin improvement in the Services division and improved forward visibility of revenue.

Notably, the Group's SaaS division had the highest revenue increase at 31% and the highest gross margin % at 81%:

Segment	H1 FY22			Revenue change	H1 FY23		
	Revenue	Margin		%	Revenue	Margin	
	£	£	%		£	£	%
Services	3.2	1.2	38%	13%	3.6	1.7	47%
SaaS	1.6	1.5	94%	31%	2.1	1.7	81%
E-Commerce	1.8	1.1	61%	(11)%	1.6	1.0	63%
Total	6.6	3.8	58%	11%	7.3	4.4	60%

Administrative expenses
Administrative expenses as planned increased by £0.5m (up 11%) to £4.9m (H1 FY22: £4.4m).

The increase in administrative expenses is primarily an investment in the next stage of the Group's development, with upfront investment in people, along with marketing and lead generation initiatives, expected to deliver positive return in H2 and beyond.

As expected, the Group has seen some inflationary pressure in certain areas of overhead spend, but management is focused on controlling the impact without restricting top line growth.

EBITDA

Although EBITDA (earnings before interest, tax, depreciation, and amortisation) is not a statutory measure, it is considered by the Board to be an important key performance indicator as a more accurate measure of underlying business performance, by removing the impact of non-cash accounting adjustments.

EBITDA was £0.4m (H1 FY22: £0.4m). The revenue growth in H1 FY23 has largely been invested into the business to fund and support further future growth, while still delivering a positive return and leaving the Group well positioned to achieve its full-year objectives.

£'M	HY1 FY23	HY2 FY22	HY1 FY22
Revenue	7.3	7.3	6.6
Operating loss	(0.4)	(0.3)	(0.4)
Depreciation	0.1	0.1	0.1
Amortisation	0.7	0.7	0.7
EBITDA	0.4	0.5	0.4
EBITDA as % Revenue	5%	7%	6%

Finance expense

The net finance expense of £0.1m (H1 FY22: £0.1m) relates to interest on the Group's borrowings and leases accounted for under IFRS 16.

Loss before tax

Loss before tax was £0.5m (H1 FY22: loss £0.5m).

Taxation

No provision for tax has been made in the period (H1 FY22: £Nil). The tax credit of £21,000 (H1 FY22: £19,000) recognised relates to the unwinding of deferred tax on the acquisition of DQM.

Earnings per share

Loss per share was 0.48 pence (H1 FY22: loss per share 0.47 pence).

Dividend

The Board is not paying an interim dividend for the period.
It will continue to review its dividend policy periodically.

Cash flow and cash/debt

The Group's closing cash position net of a bank overdraft was £0.2m (30 September 2021: £0.1m).

Borrowings (excluding lease obligations) at period end were £0.8m (31 March 2022: £1.1m, 30 September 2021: £1.3m).

The Group has banking facilities to provide adequate headroom for unforeseen working capital requirements by way of an invoice discounting facility.

In addition, the unsecured loan facility provided by Andrew Brode for the amount of £700,000 at an interest rate of 5% above the Bank of England base rate to provide additional working capital is available to the Company until at least 31 December 2023 and shall automatically renew for a further 12 months unless terminated by either party. As at the period end and the date of this report £350,000 remained available to be drawn down.

Statement of financial position

Net assets were £8.1m (31 March 2022: £8.7m, 30 September 2021: £6.4m).

Net current liabilities at period end were up by £1.0m during the six months to £4.2m (31 March 2022: £3.2m, 30 September 2021: £5.6m).

The funds raised in January 2022 have been used as planned, partly to reduce HMRC liabilities within trade and other payables in accordance with agreed payment profiles, and partly invested in projects expected to deliver future growth.

Intangible assets

The Group's accounting policy is that only directly attributable staff costs of the technical teams developing the assets are capitalised. No management time is capitalised, and neither is any proportion of overheads or borrowing costs.

Additions of £1.0m (H1 FY22: £0.6m), relate to software, website development, development of courseware and the development of publishing products.

Capital structure

The issued share capital at 30 September 2022 was 107,826,246 (31 March 2022: 107,826,246, 30 September 2021: 99,931,509) ordinary shares of £0.001 each.

On 27 September 2022 100,000 share options were granted.

Risks and uncertainties
The Board continually assesses and monitors the key risks of the business. The key risks that could affect the Group's performance, and the factors that mitigate these risks, have not significantly changed from those set out on pages 24 to 25 of the Group's Annual Report for 2022 (a copy of which is available from our website **www.grci.group**).

Chris Hartshorne
Finance Director

Unaudited Consolidated Income Statement for the six months ended 30 September 2022

	Notes	6 months to 30 September 2022 unaudited £'000	12 months to 31 March 2022 audited £'000	6 months to 30 September 2021 unaudited £'000
Revenue	3	7,287	13,902	6,633
Cost of sales		(2,885)	(5,698)	(2,813)
Gross profit		4,402	8,204	3,820
Administrative expenses				
- Other administrative expenses		(4,881)	(9,141)	(4,369)
- Exceptional administrative costs		(36)	-	-
		(4,917)	(9,141)	(4,369)
Other operating income		48	240	164
Operating loss		(467)	(697)	(385)
Net financing costs		(72)	(304)	(107)
Share of post-tax loss of equity-accounted joint ventures		-	(2)	-
Loss before taxation		(539)	(1,003)	(492)
Taxation		21	6	19
Loss for the financial period		(518)	(997)	(473)
Loss for the financial period attributable to:				
The Group's equity shareholders		(518)	(997)	(473)
Basic loss per share (pence)	4	(0.48)	(0.98)	(0.47)
Diluted loss per share (pence)	4	(0.48)	(0.98)	(0.47)

All the Group's loss relates to continuing operations

The accompanying accounting policies and notes form an integral part of these financial statements.

Unaudited Consolidated Statement of Comprehensive Income for the six months ended 30 September 2022

	6 months to 30 September 2022 Unaudited £'000	12 months to 31 March 2022 Audited £'000	6 months to 30 September 2021 unaudited £'000
Loss for the financial period	(518)	(997)	(473)
Other comprehensive loss – items that may subsequently be reclassified to profit/loss:			
Exchange differences on translation of foreign operations	(35)	(1)	(2)
Other comprehensive loss for the financial period, net of tax	(35)	(1)	(2)
Total comprehensive loss for the financial period	(553)	(998)	(475)
Total comprehensive loss attributable to equity shareholders of the parent	(553)	(998)	(475)

The accompanying accounting policies and notes form an integral part of these financial statements.

Unaudited Consolidated Statement of Financial Position as at 30 September 2022

	Notes	6 months to 30 September 2022 Unaudited £'000	12 months to 31 March 2022 Audited £'000	6 months to 30 September 2021 unaudited £'000
Assets				
Non-current assets				
Goodwill		6,804	6,804	6,804
Intangible assets	**5**	5,876	5,630	5,699
Property, plant and equipment		293	325	301
Investments accounted for using the equity method		17	17	20
		12,990	12,776	12,824
Current assets				
Inventories		-	-	31
Trade and other receivables		1,376	1,612	1,535
Cash at bank		199	2,099	147
		1,575	3,711	1,713
Current liabilities				
Trade and other payables		(4,975)	(5,935)	(6,188)
Borrowings		(526)	(722)	(879)
Lease obligations		(101)	(117)	(122)
Current tax		(127)	(127)	(129)
		(5,729)	(6,901)	(7,318)
Net current liabilities		(4,154)	(3,190)	(5,605)
Non-current liabilities				
Trade and other payables		-	(73)	-
Borrowings		(252)	(329)	(412)
Lease obligations		(119)	(145)	(52)
Deferred tax liability		(317)	(338)	(324)
		(688)	(885)	(788)
Net assets		8,148	8,701	6,431
Equity				
Share capital	**6**	108	108	100
Share premium		16,012	16,012	13,227
Merger reserve		4,276	4,276	4,276
Share-based payment reserve		126	126	126
Translation reserve		(44)	(9)	(10)
Accumulated deficit		(12,330)	(11,812)	(11,288)
Total equity		8,148	8,701	6,431

Unaudited Consolidated Statement of Changes in Equity for the six months ended 30 September 2022

	Share capital £'000	Share premium £'000	Merger reserve £'000	Share-based payment reserve £'000	Retained earnings £'000	Translation reserve £'000	Total £'000
Balance at 1 April 2021 (audited)	100	13,227	4,276	126	(10,815)	(8)	6,906
Loss for the period	-	-	-	-	(473)	-	(473)
Foreign exchange difference on consolidation	-	-	-	-	-	(2)	(2)
Total comprehensive loss for the period	-	-	-	-	(473)	(2)	(475)
At 30 September 2021 (unaudited)	100	13,227	4,276	126	(11,288)	(10)	6,431

	Share capital £'000	Share premium £'000	Merger reserve £'000	Share-based payment reserve £'000	Retained earnings £'000	Translation reserve £'000	Total £'000
Balance at 1 April 2021 (audited)	100	13,227	4,276	126	(10,815)	(8)	6,906
Loss for the period	-	-	-	-	(997)	-	(997)
Foreign exchange difference on consolidation	-	-	-	-	-	(1)	(1)
Total comprehensive loss for the period	-	-	-	-	(997)	(1)	(998)
Shares issued	8	2,992	-	-	-	-	3,000
Cost of share issue	-	(207)	-	-	-	-	(207)
Transactions with owners	8	2,785	-	-	-	-	2,793
At 31 March 2022 (audited)	108	16,012	4,276	126	(11,812)	(9)	8,701
Loss for the period	-	-	-	-	(518)	-	(518)
Foreign exchange difference on consolidation	-	-	-	-	-	(35)	(35)
Total comprehensive loss for the period	-	-	-	-	(518)	(35)	(553)
At 30 September 2022 (unaudited)	108	16,012	4,276	126	(12,330)	(44)	8,148

The accompanying accounting policies and notes form an integral part of these financial statements.

Unaudited Consolidated Statement of Cash Flows for the six months ended 30 September 2022

	Notes	6 months to 30 September 2022 Unaudited £'000	12 months to 31 March 2022 audited £'000	6 months to 30 September 2021 unaudited £'000
Cash flow from operating activities				
Loss before tax		(518)	(997)	(492)
Adjustments for:				
Depreciation of plant and equipment		19	91	53
Amortisation of right-of-use assets		47	143	84
Amortisation of intangible fixed assets	**5**	719	1,367	668
Loss on disposal of fixed assets		-	50	-
Foreign exchange (gains)/losses		(4)	18	10
Share of post-tax loss of equity-accounted joint ventures		-	2	-
Finance expenses		73	304	107
Finance income		(1)	-	-
Income tax expenses		(21)	(6)	-
Operating Cashflows before changes in working capital		314	972	430
Decrease in inventories		-	33	2
Decrease in trade and other receivables		252	83	161
(Increase)/decrease in trade and other payables		(1,086)	28	191
		(520)	1,116	784
Income tax refund		-	5	-
Net cash (outflow)/inflow from operating activities		(520)	1,121	784
Investing activities				
Purchase of intangible assets		(963)	(1,231)	(602)
Purchase of plant and equipment		(37)	(47)	(11)
Acquisition of joint venture investment		-	(13)	(13)
Net cash outflow in operating activities		(1,000)	(1,291)	(626)
Financing activities				
Proceeds from issue of shares		-	3,000	-
Costs of share issue		-	(207)	-
Proceeds from borrowings		-	546	276
Repayment of borrowings		(284)	(836)	(316)
Interest paid		(50)	(245)	(85)
Interest on lease liability on right-of-use asset		(13)	(69)	(13)
Payment of lease liabilities on right-of-use assets		(43)	(155)	(107)
Net cash (outflow)/inflow from financing liabilities		(390)	2,034	(245)
Net (decrease)/increase in cash and cash equivalents		(1,910)	1,864	(87)
Cash and cash equivalents at beginning of financial period		2,099	233	233
Effects of exchange rate changes		10	2	1
Cash and cash equivalents at end of financial period		199	2,099	147
Comprising				
Cash at bank		199	2,099	147

The accompanying accounting policies and notes form an integral part of these financial statements.

1. Nature of operations and general information

GRC International Group plc ('GRC International Group' or 'the Company') is a public limited company limited by shares, incorporated and domiciled in England and Wales. The registered company number is 11036180 and the registered office is Unit 3 Clive Court, Bartholemew's Walk, Cambridgeshire Business Park, Ely, Cambridgeshire, CB7 4EA.

The principal activities of GRC International Group and its subsidiary companies is as a one-stop shop for IT governance including books, tools, learning and consultancy services.

The interim financial statements have not been audited or reviewed by the auditors.

2. Basis of preparation of half-year report

The condensed consolidated interim financial report for the half-year reporting period ended 30 September 2022 has been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting.

The results include the results of GRC International Group plc and its subsidiaries.

A subsidiary is a company controlled directly by the Group. Control is achieved where the Group has the power over the investee, rights to variable returns and the ability to use the power to affect the investee's returns.

Income and expenses of subsidiaries acquired during the year are included in the Consolidated Income Statement from the effective date of control. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-Group transactions, balances, income, and expenses are eliminated in full on consolidation.

The Interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 March 2022 and any public announcements made by GRC International Group plc during the interim period.

Half-yearly (interim) reports

The comparative financial information for the year ended 31 March 2022 in this interim report does not constitute statutory accounts for that year.

The statutory accounts for the year ended 31 March 2022 have been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

3. Revenue

Revenue is all derived from continuing operations. The analysis of revenue by category:

	6 months to 30 September 2022 Unaudited £'000	12 months to 31 March 2022 Audited £'000	6 months to 30 September 2021 unaudited £'000
Sale of goods	391	824	436
Provision of services	6,896	13,078	6,197
	7,287	13,902	6,633
Other income*	48	240	164
Total revenue	7,335	14,142	6,797

*Other income relates to rent received from the sub-let of some of the Group's office space.

4. Earnings per share

Basic earnings per share is based on the loss after tax for the year and the weighted average number of shares in issue during each year.

	6 months to 30 September 2022 Unaudited	12 months to 31 March 2022 Audited	6 months to 30 September 2021 Unaudited
Loss attributable to equity holders of the group £'000	(518)	(997)	(473)
Weighted average number of shares in issue	107,826,246	101,510,456	99,931,509
Basic loss per share (pence)	(0.48)	(0.98)	(0.47)

Diluted earnings per share is calculated by adjusting the average number of shares in issue during the year to assume conversion of all dilutive potential ordinary shares.

Taking the Group's share options into consideration in respect of the Group's weighted average number of ordinary shares for the purposes of diluted earnings per share, is as follows:

	6 months to 30 September 2022 Unaudited	12 months to 31 March 2022 Audited	6 months to 30 September 2020 Unaudited
Number of shares	107,826,246	101,510,456	99,931,509
Dilutive (potential dilutive) effect of share options		-	-
Weighted average number of ordinary shares for the purposes of diluted earnings per share	107,826,246	101,510,456	99,931,509
Diluted loss per share (pence)	(0.48)	(0.98)	(0.47)

For the purpose of diluted earnings per share in a loss-making situation, options are not dilutive.

5. Intangible assets

	Marketing tools £'000	Publishing products £'000	Consultancy products and courseware £'000	Software and website costs £'000	Trademarks £'000	Customer relationships £'000	Total £'000
Cost							
At 1 April 2021 (audited)	63	400	1,036	6,177	466	1,843	9,985
Additions	3	51	182	995	-	-	1,231
Foreign exchange movement	-	-	-	-	-	-	-
At 31 March 2022	66	451	1,218	7,172	466	1,843	11,216
Additions	-	37	147	779	-	-	963
Foreign exchange movement	1	-	2	-	-	-	3
At 30 September 2022	67	488	1,367	7,951	466	1,843	12,182
Accumulated depreciation							
At 1 April 2021 (audited)	63	266	414	3,057	100	320	4,220
Charge for year	-	51	112	1,003	47	153	1,366
Foreign exchange movement	-	-	-	-	-	-	-
At 31 March 2022	63	317	526	4,060	147	473	5,586
Charge for period	1	28	61	529	23	77	719
Foreign exchange movement	-	-	1	-	-	-	1
At 30 September 2022	64	345	588	4,589	170	550	6,306
Net book value							
At 30 September 2022	**3**	**143**	**779**	**3,362**	**296**	**1,293**	**5,876**
At 31 March 2022	3	134	692	3,112	319	1,370	5,630

Amortisation is included within administrative expenses.

6. Authorised, allotted, issued and fully paid

	Number	6 months to 30 September 2022 unaudited £'000	Number	12 months to 31 March 2022 audited £'000	Number	6 months to 30 September 2021 unaudited £'000
Ordinary shares of £0.001 each	107,826,246	108	107,826,246	108	99,931,509	100
	107,826,246	108	107,826,246	108	99,931,509	100

7. Events after the reporting period

There have been no events that require disclosure in accordance with IAS10, 'Events after the balance sheet date'.