ActiveOps

A CRITICAL CAPABILITY FOR THE **FUTURE OF WORK**

Annual Report and Accounts 2022

ActiveOps PLC

INTRODUCTION

ActiveOps is a leader in Management Process Automation (MPA) providing a Software-as-a-Service (SaaS) platform to large enterprises with complex and often global back-offices. Our Management Process Automation software supercharges your managers, transforming effectiveness and assuring outcomes, whatever the challenges ahead.

A YEAR OF GROWTH AND CAPABILITY ENHANCEMENT

FINANCIAL HIGHLIGHTS

- ARR[1] Growth of 10%, above prior year growth (7%).
- Total Revenue growth of 12%. T&I revenues recovered to pre pandemic levels with 31% growth over prior year.
- Gross Margins remain strong at 81%, supported by implementations being predominantly remotely delivered.
- Adjusted EBITDA marginally loss making (£0.3m) (FY21 Profit £0.4m) reflecting investment in Sales & Research & Development[2].
- Strong EBITDA cash conversion of 698% (FY21: 350%) continues with annual in advance billing[3].
- Balance sheet remains strong with £13.8m cash in the bank (FY21: £13.1m (adjusted[3]).
- Loss for the year (£2.6m) (FY21: Profit £9.1m).

The above non-GAAP measures are unaudited.

1 Annual Recurring Revenue.
2 Adjusted FY21 cash and EBITDA Cash Conversion % excludes £3.5m of IPO employee share option taxes received prior to FY21 and paid to the tax authorities in April 2021.
3 Adjusted EBITDA is used by management to assess the trading performance of the business. Defined as Operating Loss (£2.550m) before depreciation & amortisation (£1.009m), share-based payment charges (£0.563m) and exceptional items (£0.539m) and includes FX differences (Gain: £0.161m).

OPERATIONAL HIGHLIGHTS

- Added nine new customers globally, including wins within each of the Group's key industry verticals and geographic regions.
- Significant product enhancement, including launch of a unique task mining technology that expands the capabilities for the Group's software and CaseworkiQ, which extends usage of the Group's software into complex case-management and regulated operations.
- Grew SaaS revenues by 20% in the important North American market, making it our highest growth region despite the US market having been subject to greater Covid-19 pandemic related distractions than other regions.
- First enterprise level up-sale of WorkiQ to an existing ControliQ customer. Successfully demonstrated ability to deliver incremental performance improvement through WorkiQ in operations using ControliQ.
- Expanded our software engineering capabilities, doubling capacity in order to support delivery of our product vision.
- Established a data science function and developed new product capabilities to be released in FY23 which extend the automation capabilities of our software via Artificial Intelligence and Machine Learning.
- Extended key partner relationship with Microsoft to enable the Group's solutions to be purchased via Microsoft and soon to be released integration with Microsoft Teams.

STRATEGIC REPORT

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NOTICE OF ANNUAL GENERAL MEETING

SUPPLEMENTARY INFORMATION

HIGHLIGHTS OF 2022

Annual Recurring Revenue at year end

£20.1m

2021: 18.3m +10%

Revenue

£22.9m

2021: £20.4m +12%

Gross Profit

£18.5m

2021: £16.7m +11%

Adjusted EBITDA

£(0.3m)

2021: £0.4m

Unadjusted EBITDA

£(1.5m)

2021: £(0.5m)

Cash Balance

£13.8m

2021: £13.1m[1]

Adjusted EBITDA Cash Conversion %

698%

2021: 350%[2]

1 Excludes £3.5m employee share option taxes – paid to tax authorities in April 2021.
2 Cash conversion excludes £3.5m employee share option taxes – paid to tax authorities in April 2021.

A TRUSTED PARTNER TO GLOBAL ORGANISATIONS PROCESSING BILLIONS OF CRITICAL TRANSACTIONS

Our purpose is to simplify the running of operations. We help global enterprises to precisely balance work and capacity, enabling them to efficiently and effectively process billions of critical transactions each year in their back-office operations.

WHO WE ARE

We're Activeops. Our software enables operations managers in the back offices of large enterprise to make better decisions, faster.

Our solution makes management of operations a process not a lottery. We give customers consistent, usable data about work, capacity and performance. We use that data to power digitally delivered, best practice operations management processes, which ensure managers across operations functions are fully in control.

Through Management Process Automation (MPA), we help our customers eliminate time wasted gathering and debating data, and transform the quality and precision of operational decisions across the enterprise.

WHAT WE DO

We make operations management a superpower.

Today, managers in back-office operations spend significant time on things they shouldn't need to, like collecting and assembling data to know if their team is on track, or planning how to allocate the skills in their operation in order to optimise the amount of work completed. ActiveOps eliminates that wasted time and puts advanced analytics at managers' fingertips so they can take timely action to optimise performance.

Our software, underpinned by our proprietary operations management methodology, improves the effectiveness of operations managers and their decision making. This leads to improved efficiency, productivity, service level delivery and employee experience. Our customers create more adaptable and agile operations and are better able to realise the benefits of digital transformation. Their front-line employees experience an organisation which is more in control and better able to provide flexibility and variety.

ActiveOps helps organisations around the world to deliver the vast array of critical processes executed in back-office operations every day. We work with customers across multiple sectors, with a strong focus on banking, insurance and the business process outsourcers (BPOs) who support these sectors. Our customers include some of the world's largest organisations in these industries, who recognise the strategic and regulatory value of a consistent operations management solution deployed across the whole enterprise.

OUR PRODUCTS

ActiveOps has three core products focused on improving the day-to-day running of service operations:

- **ControliQ –** is a workforce optimisation software product applicable for employees engaged in transactional processing (payments, claims, application processing, etc). ControliQ ensures an organisation's skills and capacity are always optimally deployed, ensuring that efficiency is maximised and service levels are met.
- **CaseworkiQ –** is a workforce optimisation software product designed for complex case-management operations in support of regulatory compliance. CaseworkiQ is a new product, which allows operations processing case-based work to experience the visibility, control and performance improvement which ControliQ customers are used to experiencing in their transactional operations. Development of CaseworkiQ has been driven by the increased footprint of this type of work in our customers' operations.
- **WorkiQ** – is a desktop analytics software product applicable to employees who spend much of their day working on a PC. WorkiQ analyses the interaction between the user and the software applications they use to perform their job and provides insights which improve productivity and employee experience.

Each of our software products are built upon Active Operations Management (AOM), our method and a detailed cycle of management activities which provides a 'best practice' approach to operations management. AOM is enacted by our software products and supported by an extensive set of training and coaching offerings.

The data from our software products is also used to drive OpsIndex, our unique operations performance benchmarking service, which allows customers to compare the performance of their operations, both within their own enterprise and with geographical and industry peer groups. This helps drive improved performance.

WHERE WE DO IT

We employ 194 people based in seven offices, covering five different continents. Our 81 enterprise customers have more than 100,000 users of our software located in 40+ countries.

Individual software users

>109,000

Users in more than

40

countries globally

Staff (March 2022)

194

seven global offices on five continents

Customer activities

2.5bn

tracked by our software each year

Customer employee capacity

>140m

hours managed each year

Enterprise customers

81

Implementations

48

delivered during FY22

Nationalities

19

represented in the ActiveOps team

Our global reach

North America · Europe, Middle East, India and Africa · Asia Pacific

A CRITICAL CAPABILITY FOR THE FUTURE OF WORK

The back-office processing centres of large enterprises (the heartland for ActiveOps products) have typically been a traditional nine-to-five, office-based environment. As a result of the Covid-19 pandemic, organisations are embracing hybrid working approaches which offer new levels of flexibility over how, where and when people work. Offering this flexibility whilst remaining confident in achieving business outcomes increases the need for visibility of work and performance, and agility in how skills and resources are deployed. The need for our Management Process Automation solutions has never been greater.

OUR PURPOSE

Our purpose is to simplify the running of back-office operations.

OUR VISION

We see a future full of businesses running adaptable, resilient back-office operations which create business advantage, delight customers, and create an engaging, fulfilling and healthy workplace.

OUR MISSION

We're here to make excellence in running operations a super-power of successful enterprises.

MANAGEMENT PROCESS AUTOMATION

The back-office operations of large enterprises are complex environments. The workforce must process thousands of distinct tasks, each with their own quality requirements, service standards and skills requirements, using dozens of different software applications. They must also adhere to increasing regulatory requirements whilst embracing continuous change, as processes and product are redefined.

In seeking to optimise their back-office operations, organisations focus much of their effort on business processes; streamlining them, automating parts of them, or eliminating them altogether through customer-self-service approaches. This can lead to a lack of focus on optimising operations management, (the way in which the day to day running of the operation is performed). A lack of consistent process and supporting technology leads to significantly sub-optimal performance, regardless of the efficiency of the business processes.

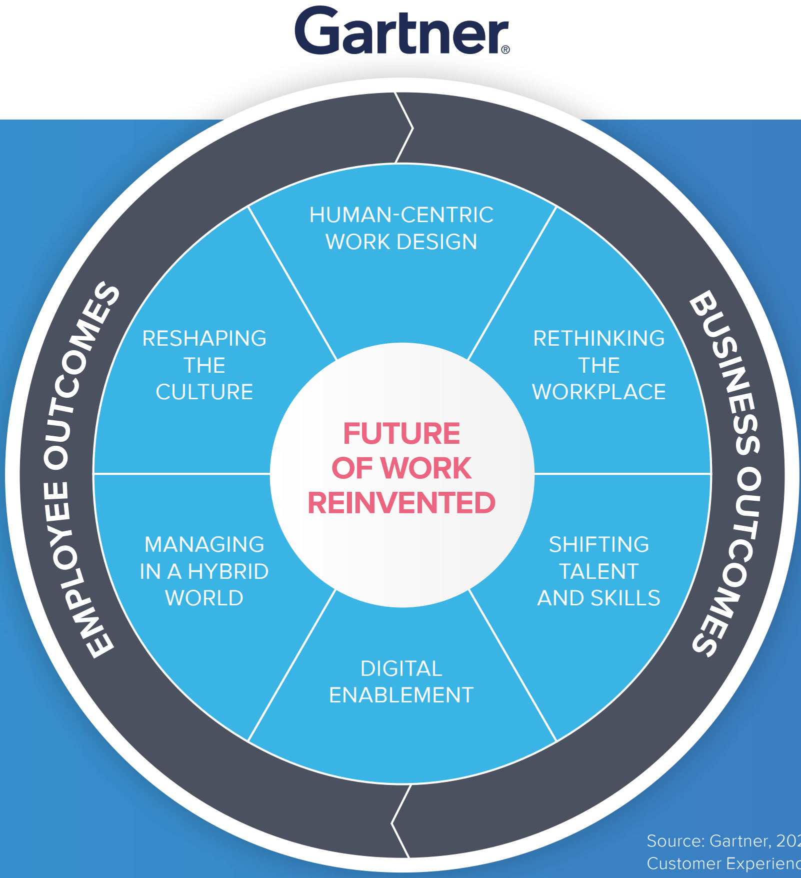
ActiveOps is here to change this and make back-office operations management a super-power of successful enterprises. We achieve this through our Management Process Automation solutions which provide the following capabilities:

- The automatic collection and collation of the data needed by managers into a single enterprise source.
- The creation of insight from data to improve the decisions made by managers.
- The simplification of management processes so they are easier and quicker to perform.
- The automation of management processes so managers have more time to lead their people.

THE FUTURE OF WORK REINVENTED

The Covid-19 pandemic has changed the world of work. Organisations are more aware than ever of the need to create a future of work which supports the aspirations of both the organisation and the employee. ActiveOps' Management Process Automation capabilities allow business goals and performance targets to be balanced with employee experience and wellness. As such, the Group's offerings are more relevant than ever to the post-pandemic future of work.

In its '2021 Future of Work Trends: Top 3 Customer Experience Trends' research, Gartner® identifies six key action areas (see diagram below) to boost employee experience and therefore enhance customer experience. In an operations environment, Management Process Automation is a critical capability to deliver on these action areas.



Source: Gartner, 2021 Future of Work Trends: Top 3 Customer Experience Trends, 18 October 2021

Theme	How ActiveOps helps
Human-Centric Work Design	Moving from designing work and roles around the office location to a human centric model requires precise understanding of work, skills capacity and, most importantly, an agile way of working.
Rethinking the Workplace	Most people in previously office-based roles prefer to spend some time working from home. This office/home hybrid renders-obsolete traditional line of sight-based approaches to measuring and managing people performance. ActiveOps solutions ensure a consistent, data driven approach to operations management, regardless of the place of work.
Shifting Talent and Skills	The Covid-19 pandemic reinforced the importance of adaptability and resilience. ActiveOps solutions provide the data and orchestration to ensure skills and resources can be flexed across organisational boundaries and used where they are most needed. This provides focus to the development of skills for the benefit of both the organisation and the employee.
Digital Enablement	Approaches and technology used to manage the performance of operations are often informal and require significant manual intervention. ActiveOps digitizes these analogue processes and applies automation to free-up management time.
Managing in a Hybrid World	Reduced co-location requires different approaches to management. ActiveOps solutions provide visibility of the outcomes of an individual's work regardless of location, and allows managers to plan flexibility for employees without risking outcomes.
Reforming the Culture	ActiveOps solutions support the development of a performance culture in operations. A culture where success is celebrated, work is balanced fairly across teams and collaboration is key to success. Our solutions orchestrate a consistent management process in back-office environments across the enterprise, to ensure consistency in how people are managed.

OUR CUSTOMERS SEE FURTHER, KNOW MORE AND MOVE FASTER

Our Management Process Automation solutions are used by large enterprises with complex, often global back-offices, to safeguard the delivery of billions of critical transactions. Our software, embedded with our back-office operations management methodology (AOM), is used to optimise use of skills and capacity and to maintain a healthy balance between performance and employee experience.

The ActiveOps Management Process Automation Offering

The back-office operations of large enterprises are complex environments. The workforce must process thousands of distinct tasks, each with their own quality requirements, service standards and skills requirements, using dozens of different software applications. They must also adhere to increasing regulatory requirements whilst embracing continuous change, as processes and product are redefined.

In seeking to optimise their operations, organisations focus much of their effort on business processes, streamlining them, automating parts of them, or eliminating them altogether through customer-self-service approaches. This can lead to a lack of focus on optimising operations management, or the way in which the day-to-day running of the operation is performed. A lack of consistent process and supporting technology leads to significantly sub-optimal performance, regardless of the efficiency of the business processes.

ActiveOps is here to change this and make operations management a super-power of successful enterprises. We do this by providing solutions which provide Management Process Automation:

- The automatic collection and collation of the data needed by managers into a single enterprise source.
- The creation of insight from data to improve the decisions made by managers.
- The simplification of management processes so they are easier and quicker to perform.
- The automation of management processes so managers have more time to lead their people.

ControliQ

ControliQ is the Group's cloud delivered back-office workforce optimisation software, used in transactional processing environments, to ensure efficient day-to-day running of operations. The data needed to make basic operational decisions is typically scattered across many systems and is hard to consolidate to provide a coherent view of status and performance. Without adequate technology and a consistent approach across operations, forecasting and planning is either absent or inconsistent. As a result, opportunities to share work and skills across organisational boundaries are missed. This makes meeting service levels more challenging and often leads to over-staffing in order to compensate. ControliQ consolidates data from the multitude of systems used in a typical back-office, to provide managers with comprehensive, real-time data needed to make accurate and timely decisions.

In addition, it provides forecasting and planning capabilities which accurately predict workload and allocate capacity and skills in the optimal manner. In the absence of ControliQ, operations managers face an uphill battle to meet quality and service standards without sacrificing efficiency.

OVERVIEW OF ACTIVEOPS PRODUCT OFFERINGS.

	ControliQ	CaseworkiQ	WorkiQ
What type of operations is it applicable to?	**Employees performing transactional processing work**	**Employees performing transactional case-management work**	**All employees who work at a PC**
What does it do?	• Automatically captures details of all the work performed across all software applications • Consolidates attendance, use of time and details of tasks completed in a single repository • Provides reports and dashboards to support performance management, process improvement and skills development • Forecasts future workloads and plans the optimal deployment of resources and skills • Provides real time insight to managers, leading to more timely decisions, optimising performance, service delivery and employee experience		• Automatically gathers data by analysing PC desktop activity • Captures applications/ screens used, time spent by activity and volume of key tasks completed • Provides reports and dashboards to support performance management, process improvement and skills development
Key Benefits	• Rapid, sustainable productivity gains and capacity release (typically 15% or more in the first year) • Safer delivery of service and quality standards • Enhances ability to satisfy regulation and compliance requirements • Enables digital transformation, automation and other transformation initiatives • Improves employee experience		• 10% or more increase in time focused on the most important work • Visibility of working time and activity to enable hybrid and flexible working models

CaseworkiQ
CaseworkiQ is the Group's newly launched workforce optimisation software, specifically developed to meet the needs of operations managing case-based work (multi-stage processes, completed over days, weeks or months, often requiring inputs from external third parties). Automation, regulatory requirements and increased product complexity are all driving increased levels of case-work activity in the Group's core markets of banking, insurance and BPO. The launch of CaseworkiQ ensures continued alignment between the Group's products and the needs of our customers.

In addition, it allows the Group to target its solutions towards a number of high-profile customer issues. For example, the requirement for banks to adopt ever-more stringent practices to combat financial crime have resulted in new, large-scale operations being created. In many cases, drastically expanding headcount has been the only tool at the disposal of banks to safeguard achievement of regulatory targets. CaseworkiQ ensures optimal use of capacity and focuses effort in the right places to maximise case progression and closure. CaseworkiQ has already been deployed and tested in one of the Group's banking customers, doubling work output from existing resources in some functions.

WorkiQ
WorkiQ is a desktop analytics software product that is applicable to any employees who spend much of their day working on a PC. WorkiQ analyses the interaction between the user and the software applications they use to perform their job, in order to provide insights to manage productivity and employee experience.

WorkiQ gathers data via software installed on each computer. It monitors the applications used, which screens are accessed and how long is spent in each activity. Uniquely in the desktop analytics market, WorkiQ can also count the completion of key tasks or processes by recognising sequences of activities performed in an application. This data drives real-time reporting and dashboards, which help employees and managers understand what work has been completed, how much time was spent working and how that time was used. These insights support performance management, process improvement and skills development. Such visibility is a crucial enabler of flexible, hybrid working models, providing consistent data, regardless of when or where an employee works.

OpsIndex
Benchmarking studies in operations typically focus on specific processes (e.g. account opening) meaning comparisons are often of limited value due to legitimate differences in process. OpsIndex is the Group's benchmarking capability which provides comparison of core operations metrics such as efficiency, effectiveness, control and agility. As a result, customers are able to identify areas of strength, differentiation or potential improvement. OpsIndex allows customers to compare the performance of their operations within their own enterprise, as well as their geographical and industry peer groups.

AOM Methodology
Active Operations Management (AOM) is a methodology and detailed cycle of management activities which provide a 'best practice' approach to back-office operations management. It leverages the unified data sets of ActiveOps software products to help operations managers deliver the often conflicting pressures of meeting service, quality and cost/productivity targets. The AOM methodology draws on the Group's operations domain expertise and is influenced by academic research into operations management, human performance and the widely used Lean philosophy. The AOM methodology is based on the principal that high levels of performance are achieved by an active and collaborative approach to capacity planning, which creates an optimal even pace of work and makes best use of available resources. As part of ActiveOps' Training and Implementation programmes, operations managers are trained and coached to operate the AOM method which is orchestrated by our software. The simple management cycle at the heart of AOM has four elements: (i) forecasting workloads; (ii) capacity planning; (iii) monitoring and controlling performance against plan; and (iv) reviewing variances to drive continuous improvement. ActiveOps software orchestrates this cycle over different time horizons to support short-term resource prioritisation through to long-term headcount planning.

Training and implementation
The Group offers a highly structured programme of training alongside software implementation, to ensure the best practice management processes of AOM are established with the organisation. The typical programme is between 3 and 12 weeks. All programmes can be delivered remotely with no physical presence at the customer's premises where necessary or preferred.

CELEBRATING CUSTOMER SUCCESS – THE ACTIVEOPS AWARDS

We were delighted to launch the inaugural ActiveOps customer awards in March 2022.

The awards celebrated the achievements of our customers in delivering operational excellence. Uniquely, the awards were judged using data from OpsIndex, ActiveOps' benchmarking service. OpsIndex uses data from ControliQ to benchmark operations performance using metrics such as agility, control, effectiveness, efficiency and focus. Winners were recognised in each of the Group's primary industry sectors of banking, insurance, and BPO. The EMEIA region awards were presented during a ceremony held at London's Shard, whilst the North American and Asia Pacific award ceremonies were virtual events. We would like to congratulate all of our winners.

Insurance	Banking	BPO/Other
Europe, Middle East, India and Africa		
Nedbank	AIB	SS&C
Allianz	Natwest	Xchanging (DXC)
North America		
Anthem	CIBC	Cielo
Humana	TD Bank	
Asia Pacific		
AIA	BNZ	QSuper

Barclays Personal Banking received the 'Special Achievement Award' to recognise the fantastic business results achieved through using ControliQ.

AN AMERICAN NATIONAL BANK

ControliQ WorkiQ

AN AMERICAN NATIONAL BANK AND SUBSIDIARY OF A MULTINATIONAL BANKING GROUP.

"Employee Experience is at the core of everything we do. Our workforce management tools provide the data to have effective coaching conversations and to balance performance with employee experience."

The Challenge

Like most businesses the bank was forced to rapidly adopt home working. A practice its operations functions had little experience of. The bank was concerned about some staff working excessive hours and others losing visibility of the best practices used by more experienced colleagues

The Solution

The bank is a long-standing ActiveOps customer with around 3,000 ControliQ users across various divisions

During the Covid-19 pandemic, areas of the bank also deployed WorkiQ to compensate for the visibility lost by moving to home-based working

The combination of metrics and management tools offered by ControliQ and WorkiQ allowed the bank to continue to maintain service despite disruption to normal ways of working

The addition of WorkiQ played a vital role enabling leaders to strike a balance between productivity and employee experience when managing home and hybrid workers

The Outcomes

WorkiQ insight identified employees delivering high performance but working unsustainable hours

This visibility allowed cross training to be targeted effectively to enable a more even distribution of work and reduction in required overtime. As a result, the impacted employees benefited from a improved work/life balance

WorkiQ insight also revealed unusual patterns in the work style of low performing staff which would have been otherwise impossible to spot during home working. Coaching and changes to work assignments, guided by WorkiQ data enabled significant improvements in individual performance

Customer Outcomes

ActiveOps customers achieve a range of beneficial business outcomes over the short, medium and long term:

- Immediate, sustainable productivity gains and release of capacity. On average, customers improve productivity by 15%, freeing capacity to improve service levels, reduce backlogs, absorb extra work or reduce costs.
- Service and quality improvement. Customers create more agile operations capable of flexing staff across different teams and workloads to ensure service and quality commitments are always met.
- Enhanced regulatory compliance and reduced operational risk as a result of improved operational control.
- Enablement of digital transformation, automation and other change agendas. The data within our software allows transformation activities to be focused on the most valuable opportunities and provides a means to ensure the benefits of process improvement/automation are realised.
- Business continuity planning. Scenario modelling enables customers to assess the impact of mitigation strategies and adjust them as events unfold.
- Hybrid working enablement. ActiveOps provides vital data and an operating rhythm to ensure home working is as effective as in-office work and that flexibility over when employees work can be confidently offered.
- A balanced and engaging working environment for staff. ActiveOps solutions ensure workloads are equitable between teams, create opportunities for cross skilling and ensure employees are motivated to achieve stretching but fair goals.

AIG RETIREMENT SERVICES

ControliQ AOM

AIG

SINCE 1955, AIG RETIREMENT SERVICES HAS HELPED MILLIONS OF INDIVIDUALS PLAN AND SAVE TO LIVE THE FUTURE THEY ENVISION.

"While our teams already had a strong aptitude for capacity management, implementing ActiveOps helped us build an organisational culture at all levels. The ActiveOps team not only implemented software for us to measure and monitor work, but helped educate and train all of our leaders on how to look at data and use it to more effectively manage our business."

The Challenge

- Variable and unpredictable work volumes leading to high levels of overtime and increasing costs
- Despite lots of data being collected, managers had little actionable insight to help improve performance
- Operations Leaders were confident that there was capacity buried in their teams, but could not identify or access it

The Solution

- Working alongside its partner SS&C Technologies, ActiveOps deployed its ControliQ software and AOM Method
- ControliQ integrated with SS&C's Chorus™ Business Process Management suite, providing orchestration of both process and capacity
- Data flows automated from a number of applications including telephony and human capital management
- AOM coaching programme embedded best practice operations management disciplines, with leaders completing ActiveOps certification

The Outcomes

- Productivity has increased by 19% creating additional capacity equivalent to more than 37 full time equivalent staff in an operation of 400 people
- Additional capacity used to reduce overtime, avoid the need for planned new hires and to cross train staff
- Increased engagement from front line managers, better use of data, better understanding of the workflow, and creating a common language in how they discuss work
- Significant improvement in individual performance discussions – able to compare individuals using data and identify coaching needs
- Numerous opportunities to transfer people between teams, a significant benefit in retaining talent

REWRITING THE FUTURE OF OPERATIONS – THE ACTIVEOPS CONFERENCE 2021

We were delighted that FY22 saw the return of the annual ActiveOps conference as a face-to-face event held at London's Dorchester Hotel in October 2021. The conference brought together ActiveOps customers, partners and employees to celebrate the incredible achievements of operations managers over the prior two years; keeping critical processes and services running despite the rules of working life being re-written by the Covid-19 pandemic. The conference theme 'Rewriting the Future of Operations' explored the role of back-office operations in the future of work and the agenda provided attendees with updates on the ActiveOps roadmap, customer case studies and sessions from industry analysts and ActiveOps partners. Keynote sessions were delivered by ActiveOps CEO Richard Jeffery, and Neil Ward-Dutton, Vice President, AI, Automation and Analytics Europe at IDC Research.

CHAIR'S STATEMENT
SEAN FINNAN, NON-EXECUTIVE CHAIR

A STRONG FIRST YEAR AS A **PUBLIC COMPANY**

Last year was a transitional year in many ways for ActiveOps, one in which we embraced life as a PLC, while ensuring our offerings adapted to new ways of working in response to the Covid-19 pandemic. We are now witnessing another terrible crisis following Russia's invasion of Ukraine and our thoughts go out to all those impacted.

The resilience of the Group, with high levels of recurring revenues, a blue-chip customer base and high gross margins, created a strong foundation for us to deal with these transitional events and continue to grow. The business delivered a financial performance for the year ahead of the targets set at the time of IPO, with performance in EMEIA particularly strong. In the US the market for our offerings is still emerging, but new ways of working being adopted as a result of the Covid-19 pandemic created many new opportunities and the US was our fastest growing region.

Financial performance
We have continued to deliver a strong financial performance with growth across all revenue metrics. The quality of the Group's recurring revenue business model is evident in the growth in SaaS revenues, reaching £19.6m (FY21: £17.8m).

In line with our stated strategy, we continued to invest in sales, marketing and research & development to drive future growth which resulted in a loss after tax for continuing operations for the year of £2.6m (FY21: Loss £2.7m). We remain on course to achieve operational profit in FY24.

We remain well funded, finishing the period with a cash balance of £13.8m, which provides us with the capabilities to execute our growth strategy.

Operational achievements
The business continues to successfully execute our strategy: to expand globally, focussing on our large target markets in Banking, Insurance and BPO, while growing our footprint in our existing client base. Through the year the continued success of our stated Land & Expand strategy was reflected in the number of contract renewals and expansions secured, alongside nine new logo wins with blue-chip organisations, all of which provide considerable future expansion opportunities.

The development of our offering continued to accelerate, with this increased innovation providing our customers with more sophisticated tools and further differentiating us from our competitors. The insight and improvement that we can deliver with a product that manages 100 million hours of work per annum and continues to receive excellent customer feedback is very significant indeed. We believe that there are very few alternative products that deliver such a swift return on investment and broad range of other benefits to customers after adoption.

The executive team navigated the complexities of the past year well, with the IPO and Covid-19 requiring additional management focus. Now, with these matters largely resolved, we look to the year ahead with a renewed vigour and focus.

Governance
I am pleased with the way we have established a new Board and the impact my fellow Directors have had so far. The creation of the new audit, nominations, and ESG governance approaches has already yielded progress, and we expect to continue to keep ourselves to high standards going forward.

We have always been a company of 'concerned citizens' but the structure brought by the needs of ESG reporting as a PLC has been a welcome opportunity for us to assess where we are and highlight opportunities for continued improvement. I wish to personally thank my Board colleague Hilary Wright for her involvement with the executive team in guiding this activity.

The interaction and approach to the management of finance and Audit has gone from strength to strength under the leadership of our CFO Paddy Deller. He has been ably guided by the chair of the Audit committee, Michael McLaren, whose insight and experience has proved to be greatly helpful.

Unfortunately, circumstances in the world have led to the stock markets taking defensive actions but we are thrilled to have a strong investor base for whom we fully expect to deliver well in the coming years.

Looking ahead
After a transitional year the Group is focused and well set up to seize opportunity in front of it. Our strategy, target market, financial strength and team are all aligned to deliver on the aspirations laid out at IPO. The Board and I remain confident that this is a very scalable business which is strongly cash generative, backed by high gross margins and well positioned to execute its growth strategy.

For the year ahead we see continued opportunity in our regional expansion plans. Our existing customers in all of our regions continue to expand their use of our software, which is a testament to its effectiveness in driving operational gain in terms of cost and control, as well as giving customers an ability to meet governance and regulatory requirements in previously unforeseen ways. We remain dedicated to expanding our footprint in our existing customer base, which itself provides more than enough opportunity to meet our growth ambitions. This coupled with our focused effort to acquire new customers leaves me optimistic about continued growth. Our latest software enhancements are being very positively received by our customers and partners.

The market dynamics that impact our business remain favourable as the requirement for organisations to manage costs, enhance employee experience and meet new regulatory demands continues to increase. As a result of this, we have continued to build our sales pipeline very effectively and expect this to yield results in the coming year. We have a motivated team, a product that is market leading, an enviable customer care process, delivering fantastic expansion opportunities and a well invested go-to-market approach. All these ingredients provide confidence that the Group will continue to deliver on the established plan.

I would like to end by congratulating the whole team for navigating their first year as a public company on the London Stock Exchange and the work done to meet the subsequent requirements. I am always impressed by the enthusiasm and excitement I see across all our departments for the offering and how it helps our customers change the way they do business, such that the customer can transform their worlds of work.

We remain focused on delivering results for our shareholders and driving the expansion of the business.

Sean Finnan
Non-executive Chair

CEO STATEMENT
RICHARD JEFFERY, GROUP CHIEF EXECUTIVE OFFICER

THE OPPORTUNITY FOR ACTIVEOPS HAS **NEVER BEEN GREATER**

The year to 31 March 2022 was a transformative year at ActiveOps against a complex market backdrop. Alongside establishing the processes of a publicly listed company, we successfully deployed our leading-edge technology to solve the new problems and challengers being faced by our customers as they adapt to hybrid working in response to the Covid-19 pandemic. These new challenges, in addition to the ever-growing requirements for transparency and compliance, meant the market need for our technology was clear and reflected by our record levels of pipeline opportunities. More prosaically, sales cycles remain extended as the practicalities of approval and procurement processes in large enterprises continue to change and evolve.

We have delivered a year of growth, winning customers in all territories and sectors that we address, while expanding our existing customer base. Encouragingly, growth was most rapid in North America and although bookings have been more impacted in this region by Covid-related uncertainty than our other geographies, the US remains a key focus for the group. Elsewhere the EMEIA region performed well with historic highs in terms of Training and Implementation profitability, and Asia Pacific made a strong and profitable contribution.

Importantly, the investments we have made to expand our team provided us with the capability to execute against our product roadmap, making considerable advances in areas of artificial intelligence (AI) and automation. We are particularly excited by the potential for the newly launched CaseworkiQ product, which offers the opportunity to move into a new regulated areas within our existing customer base and target marketing upon some specific, high-profile issues in target customers. We believe these new capabilities will add further differentiation to our offering, unlock greater value for our customers and provide a pathway to growth acceleration.

The successful expansion deals secured during the year, including the first enterprise level up-sell of WorkiQ into an existing ControliQ customer, combined with our growing pipeline of opportunities, provide us with confidence as we look ahead.

While we are conscious of the ongoing economic and social challenges being faced across the world, our high levels of penetration across three geographic regions, our blue-chip customer base and expanding offering stand us in good stead to continue our growth, as we strive to help large organisations adapt to increasingly complex hybrid working models.

Robust financial performance

The robust financial performance of the Group is underpinned by the strong fundamentals of our business model, characterised by a highly scalable platform, delivering high gross margins and strong cash generation.

We are pleased to report growth across all revenue metrics, with a particularly strong return of Training & Implementation revenues, up 31% following the impact of Covid-19 lockdowns in FY21. The strength of the Group's recurring revenue business model is evident in the growth in SaaS revenues, reaching £19.6m FY21: £17.8m).

"We see four key factors driving the need for the better data and operational control our technology provides. These are: the still evolving requirements for hybrid working; the ongoing transition towards agile operating models; growing regulatory pressures; and the growing focus on delivering positive employee experience."

New customer wins coupled with expansions at existing customers have resulted in Annual Recurring Revenue increasing 10% to £20.1m in the year, and recognised revenue increased 12% to £22.9m (FY21: £20.4m). Our Net Revenue Retention (NRR) rates dipped slightly in the year to 102% (FY21: 104%), reflecting the offsetting of some strong expansion sales with reductions at other customers as a result of reconfiguration of their operations. We are confident that the investments we have made in our account management teams during this year, combined with a return to a more proactive approach to improvement projects by our customers post-pandemic, will see us return to historic high levels of growth.

In line with the growth strategy outlined at the time of IPO the Group increased investment in sales, marketing and research & development in the year, resulting in a loss for continuing operations for the year of £2.6m (FY21: Loss £2.7m). We remain on track to achieve operational profit by FY24.

The business remains well funded with a closing cash balance of £13.8m, providing us with the financial strength to execute our investment roadmap.

Evolving market

We see four key factors in the evolving world of work driving the underlying need for the better data and operational control our technology provides. These are: the still evolving requirements for hybrid working; the ongoing transition towards agile operating models; growing regulatory pressures; and the growing focus on delivering positive employee experience.

The adoption of a well-functioning hybrid approach is proving simpler and more secure for those operations who benefit from the rich data and consistent, digitally enabled operations management processes provided by our solutions. The established approaches to managing capacity are becoming obsolete as a result of the new complexities of hybrid working, and require organisations to increase their use of data and digital solutions to secure performance and meet the needs of stakeholders.

Many organisations are finding that these legacy management processes, which relied on the physical presence and technical experience of managers, are constraining performance and introducing significant risk. In addition, we are beginning to see regulators requiring that organisations be able to demonstrate the availability of adequate skills and capacity to maintain key services. Our solutions ensure organisations can demonstrate these requirements whilst still running as lean as possible.

The pandemic has also caused many organisations to re-double their digital transformation efforts, with greater process automation being the most significant focus within our operating environment. Automation brings efficiency but also creates silos of both data and resources within operations, meaning the full benefit of automation is often not delivered. Our Management Process Automation solutions break down these silos and ensure investments in process automation deliver their full potential.

The growth in the regulatory environment is creating a need for an increased ability to audit a wider range of workflows, which we are addressing through our newly launched CaseworkiQ offering.

Meanwhile a focus on providing a positive employee experience is rising to the fore, as businesses around the world grapple with the issues of wage inflation and increased staff attrition, while also seeking to fulfil their ESG commitments. Our software provides operational managers with the insight and control needed to confidently operate hybrid office/home environments and offer employees much valued flexibility over when and where they work.

In the short-term, procurement processes continue to be protracted as a result of a profound period of change and uncertainty. However, the factors described above are increasing awareness of the need for better information and processes for managing work and capacity.

ActiveOps' world-leading MPA product suite and its embedded methodology are designed to deliver the control required to address the challenges of back-office complexity, by collating and standardising disparate data into a set of digital tools. This helps managers make better and quicker decisions, thereby enabling organisations to optimise their operational performance.

Product enhancements and team expansion
One of the key successes of the year is the advancements we have made in our product offering. With a firmly established blue chip customer base, across three key geographic regions, we made the decision prior to IPO to increase investment in R&D to further exploit the considerable Land and Expand opportunity we see within our customer base. Through this innovation we will provide our customers with increasingly sophisticated management process automation tools to address the evolution of the back office, increase the attractiveness of our offering to our target customers and further differentiate us from competitors.

Collector
Developments in the year include the launch of Collector, a component available to both WorkiQ and ControliQ customers, which uses task mining technology to automate the enumeration of completed work, providing an accurate picture of productivity whilst reducing the overhead expended in data collection. This enhancement makes WorkiQ the only desktop analytics solution able to meaningfully connect activity time tracking to completed work output.

ControliQ
Enhancements were also made to ControliQ in the year, with the launch of a new functionality that enables businesses to plan the optimal use of resources more easily in a hybrid work environment, as well as new reporting capabilities for senior managers.

WorkiQ
We have developed a new WorkiQ extension to meet the specific needs of hybrid working in the US. This enhancement includes functionality to help customers better manage their employees in line with the challenging vaccine mandate legislation introduced by the US Government.

Launch of CaseworkiQ
We were delighted to launch CaseworkiQ post year end in response to the increasing process complexity and regulatory pressure in back-office operations. CaseworkiQ addresses the need for smarter management of capacity and performance in relation to case work related workflows. These are typically tasks with multiple stages, which might take weeks or months to complete, such as the completion of Know Your Customer (KYC) checks by banks, or high value claims in the insurance sector. Automation, regulation and product innovation in our target markets are all driving increased process complexity, meaning the market for CaseworkiQ is well established and growing. The complexity of these types of workflows makes them challenging for operations teams to measure, forecast and plan capacity. Such workflows are often subject to high levels of regulatory scrutiny and, if completed incorrectly, can expose organisations to risk of fines. Therefore these are areas in which organisations are increasingly investing.

Through the implementation of CaseworkiQ, organisations can expect to make productivity gains, optimise planning and ultimately complete more cases within defined SLAs, which often have externally visibility. This will increase surety of performance and importantly will give companies complete compliance audit threads, helping them to demonstrate control and resilience to the Regulator, while simultaneously reducing the risk of financial penalties.

The offering is highly applicable across our existing customer base, widening the addressable customer population. The module will be sold on a per user annual licence, adding to our levels of recurring revenue.

The first customer on the offering is a UK high street bank and existing ControliQ customer. Implementation of CaseworkiQ increased service level agreement achievement whilst simultaneously increasing productivity by more than 20%.

Data science roadmap
We continued investment in our data science function to accelerate our use of artificial intelligence (AI) and machine learning (ML) techniques which, when paired with our existing dataset, present significant opportunities to further automate management decision making.

Capabilities we will be adding to our offering include the following:

- Automated AI-driven forecasting and planning, significantly increasing efficiency and accuracy, which in turn lead to performance improvement and released capacity.
- AI driven performance optimisation – intelligent, real-time prompts highlighting performance issues and potential corrective actions.
- Automated skills management – automatic determination of available skill levels across the back office making it simple to identify training requirements and, where shared skills exist across departments, allowing for the transfer of workflows when required.

Growth of our customer base: Land & expand
Our new customer acquisition activity is focused on a tightly defined set of banks, insurers and BPOs in our target geographies, representing a significant Annual Recurring Revenue (ARR) opportunity.

We made good progress in the year, securing new logo wins or significant expansion sales across all target regions and sectors. Nine new customers were secured in the year, including a large insurer and a healthcare payer in the US, a major BPO, an investment management firm and a global consulting and services group.

We saw a good number of contract renewals and expansions in the period, including the transition of three major banking customers from an annual licence to a multi-year contract for ControliQ, both increasing revenue visibility from the customer and evidencing the central role of the software within the bank's back-office operations. Expanded use of ControliQ was seen across many of ActiveOps' customers, including three of the UK's leading high street banks.

The year also saw the first enterprise level up-sell of WorkiQ into an existing ControliQ customer; a leading North American bank was the first of ActiveOps' top ten customers to take a WorkiQ contract at scale, a key ambition of the Land & Expand strategy. An example of the value we can provide can be seen in the results delivered for a South African bank where the introduction of WorkiQ alongside established ControliQ deployments has shown a 12% incremental increase in productivity levels. We are expecting that more enterprise-level ControliQ customers will take advantage of the increased productivity gains provided by the implementation of WorkiQ and likewise, we anticipate existing WorkiQ customers extending their usage to include ControliQ as they seek higher levels of operations management maturity.

Sales pipeline
We have invested in our team throughout the year, hiring experienced enterprise sales executives, commercial account managers and business development resources, meaning we enter FY23 with a considerably enhanced sales operation. Whilst we saw a slight elevation in customer churn levels during the year, these investments in our team are already delivering results in higher levels of in-account opportunities in the pipeline.

We see particularly encouraging opportunities in our EMEIA and Australian pipeline, with strong representation from existing and new customers. Within the US we are refocusing our sales efforts on a smaller group of defined targets, who we believe are best placed to take advantage of the benefits of our offering. As a result of the above initiatives, combined with a more stable market backdrop post-pandemic, we have seen the value of sales opportunities in our pipeline at formal proposal stage or later increase by 60% compared to this time last year, providing us with confidence as we move into FY23.

Focus for FY23
Our focus for the year ahead is to capitalise on the investments we have made in our team and offering, and to accelerate both the growth and conversion of our growing sales pipeline. With multiple product enhancements being released through the year we are providing our sales teams with compelling tools to engage with existing and potential customers.

Areas showing particular interest are the use of CaseworkiQ for supporting the needs of banks processing financial crime related activities and the use of new automated planning in ControliQ. This is potentially a game changer for many operations since it eliminates the time and thought required by team leaders to build their plans, and increases the accuracy of the plans produced, leading to even more effective use of capacity. This takes away another cause of uncertainty and volatility in operational performance since we are reducing time to act and providing better actions to take.

Confident Outlook
Trading in the new year has begun in line with management expectations, with strong renewals, an additional new banking customer in the APAC region and significant expansions in several existing customers.

We continue to benefit from a strong balance sheet, with cash comfortably ahead of management expectations and high levels of recurring revenues. This provides the business with a strong basis from which it can continue to carefully invest in its expansion, whilst managing the impact of inflationary pressures. We are trading on target to generate a positive run-rate EBITDA at the end of the current financial year.

As interest in workforce management solutions continues to grow, our market-leading offering continues to resonate with our growing global blue-chip customer base. Through the investments we have made in our technology we have an enhanced offering with which to target our considerable target market and an enlarged sales team with which to do so. While conscious of the ongoing challenging macro-economic picture, we are confident in our ability to continue to execute our growth plans and look to the future with confidence.

Richard Jeffery
Group Chief Executive Officer

MARKET OVERVIEW

The market for the Group's solutions is global and broad, with back-office operations present within the structures of large enterprises in most industries. The Group is currently primarily focused on customers in banking, insurance and business process outsourcing (BPO) operating in our key geographical regions of Europe, North America, India, South Africa and Australasia. The Group has strong credentials in these verticals and regions which represent a very significant growth opportunity.

A large global market with room to grow
Target organisations are typically large enterprises, where the back-office operations are large, complex and expensive to run, yet have limited workforce optimisation technologies in use. Automation, regulation and increased product complexity are all driving an increase in the complexity of the work undertaken in back-office operations. The introduction of the CaseworkiQ product ensures the Group's proposition remains just as relevant as the mix of work-types in customer's operations evolves. It is anticipated that CaseworkiQ will also allow the Group to target new functions outside of our traditional footprint, thus increasing the addressable market. The market for the Group's products within the largest banks, insurers and BPOs in our core geographies is in excess of £750m of annual recurring revenue. In the longer term, expansion into new industries and geographies can open up the wider market which is estimated to grow to £6.3bn by 2023.

Hybrid and flexible working driving demand
The Group's solutions have long been at the heart of a critical capability for its customers efficient running of back-office operations. Back-offices are the engine rooms of many businesses; their effectiveness defines the service a customer receives and can be a major source of competitive advantage. Before the Covid-19 pandemic, back-office operations were typically classic 9-5 office-based environments. The rapid transition to hybrid, flexible ways of working has highlighted the challenges of running operations efficiently in the absence of timely/accurate data and a common operating rhythm across operations. ActiveOps solutions provide the data to allow managers to balance output, productivity and employee experience. The best-practice management cycle orchestrated by the Group's software allows customers to accurately deploy its skills and capacity to optimise throughput and performance, whilst also taking into account employee preferences for flexibility in their working patterns and location. Across the Group's markets and customers, many organisations are still in the early stages of designing and implementing their new hybrid operating models. These conditions are driving far higher levels of engagement in our market than at any time in the past.

ActiveOps position as market leaders
The Group occupies an enviable market position, with an unprecedented track record of customer success and reputation as experts in the field of back-office management. The Group's software has been developed over 25 years specifically for the needs of large enterprises with complex and often global back-offices. The breadth of our software combined with the AOM method and our Training and Implementation programmes represents a fully rounded proposition unmatched in the market.

The Group faces competition from direct competitors and in-house developed solutions as well alternative ways in which operations performance can be optimised. ActiveOps is the largest of the small number of back-office workforce optimisation technology providers. Direct competition also comes from large workforce management technology vendors with a broad focus, however such organisations do not possess ActiveOps' capability and track record in the back-office. The Covid-19 pandemic led to an increased number of technology offerings specifically focused on measuring employee productivity. These products represent competition to the Group, however ActiveOps' capabilities to not just measure, but also forecast, plan and orchestrate the best use of skills, provides significant differentiation. Many of the offerings in this category have been developed to identify and challenge time spent not working or spent on non-work activities. Whilst this is a legitimate capability, it is invasive and can lead to adoption and acceptance issues with employees. ActiveOps solutions are built with a human-centric philosophy which seeks to use data as a source of motivation. As a result, despite the fact that the Group's software reports metrics such as productivity of employees, its deployment is typically welcomed due to the positive impact is has on the working environment.

Technologies supporting operations management are often in-house developed solutions, most commonly locally developed spreadsheets. This results in solutions which rely on time-consuming and error-prone manual intervention to collect, validate, aggregate and analyse data. Such an approach also makes consistency of management process hard to establish and impossible to maintain.

Any organisation seeking to optimise the performance of its back-office operations may consider a range of other investments including process improvement, automation and outsourcing. As a result, the Group is often competing for the same investment spend as these initiatives. Deployment of the Group's capabilities offers very quick and sustainable performance improvement with no requirement to change existing business processes and systems. As such, it is an appealing and low risk option.

As a result of our track record of success, reputation as experts in our field and clear differentiation from our competitors, we believe we are uniquely placed to capitalise on the full market opportunity.

ACTIVEOPS TARGETS A WELL DEFINED SECTION OF A LARGE ADDRESSABLE MARKET

c.12% of the market **c.£750m**[2]

Bank | **Insurance and Healthcare** | **Business Process Outsourcers (BPOs)**

Market assumption

- Banking, Insurance and BPO
- Defined target list of the largest enterprises'
- Proven levels of customer penetration
- Existing geographies
- Current products and current commercial assumptions

1 Source: Databridge Market Research & Marketwatch.com.
2 Source: ActiveOps target-market analysis.

ACTIVEOPS HAS A HIGHLY DIFFERENTIATED OFFERING

Sources of competition

In House Developed Solutions	Contact Centre Workforce Management Software	Back-Office Specialists with Consulting Led Approaches	Employee Productivity Measurement Software	Substitution

ActiveOps Differentiators

- Developed Functionality and Roadmap
- Operations Management Method
- Enterprise Credentials and Focus
- 15 Years of Data to Support Insight & Benchmarking
- **Scalability** | **Specifically designed for back office** | **Human-Centric Approach**

Substitution:

- **ROI**
- **Certainty of benefit**
- **No change to core systems and IT**
- **Complementary to other change initiatives**

HOW WE CREATE, SUSTAIN AND SHARE VALUE

Our purpose is to simplify running operations. Simplifying how organisations control operational performance has a transformative impact on organisational success, the wellbeing of employees and the outcomes for customers.

WHY WE ARE DIFFERENT

Rapid, sustained customer benefits – Our customers are constantly undergoing change, much of it highly disruptive major transformation. ActiveOps solutions are deployed in days, require no change to core technology or business processes, and deliver measurable performance and employee engagement benefits in just weeks.

Human centric design principles – Our products promote the use of performance data in an open manner which treats employees with respect. Our approach focuses on outcomes not just inputs and motivates staff to achieve individual, team and organisational targets. These principles reflect our values and are an important source of differentiation.

Embedded expertise – The deep operations management domain expertise of the ActiveOps team is captured both in its software products and supporting management method. This unique combination of technology and best practice method enables customers to deliver benefits very quickly and sustain them in the long term.

Long-term partnership – ActiveOps works closely with its customers providing insight and support to management teams to maximise the value derived from our solutions. Many of ActiveOps' 80+ customers have been using our solutions for more than ten years.

Enterprise mindset – It's one thing to create a solution which works for a specific operations environment, but quite another to cater for the broad range of operations environments found across a large enterprise. ActiveOps solutions are universally applicable across back-office operations and designed to be operated at scale.

WHAT WE DO

We enable large enterprises to run efficient and effective back-office operations
ActiveOps provides Management Process Automation software which automates and streamlines critical operations management activities such as forecasting, planning and controlling performance in large back-office operations. Our software platform, combined with our proprietary operations management methodology and packaged training/implementation programmes, improve efficiency, productivity, service level delivery and employee experience.

HOW WE DO IT

Develop industry-leading solutions
We build uniquely rounded solutions, comprising software, management method and the change-management processes to deliver benefits to customers rapidly and at scale.

Deliver sustainable benefits and change for our customers
Our Training and Implementation teams and partners deploy our solutions alongside customer teams to deliver the outcomes targeted by each individual customer.

Partner with customers for the long term
Our Customer Success teams work in partnership with customers to ensure our solutions continue to be utilised effectively and deliver the expected value.

Engaged colleagues
We invest in our people to ensure they are engaged and fully equipped to perform their roles. Strongly influenced by our values, our working environment is inclusive and people are empowered and enabled to develop personally and professionally.

HOW WE GENERATE REVENUE

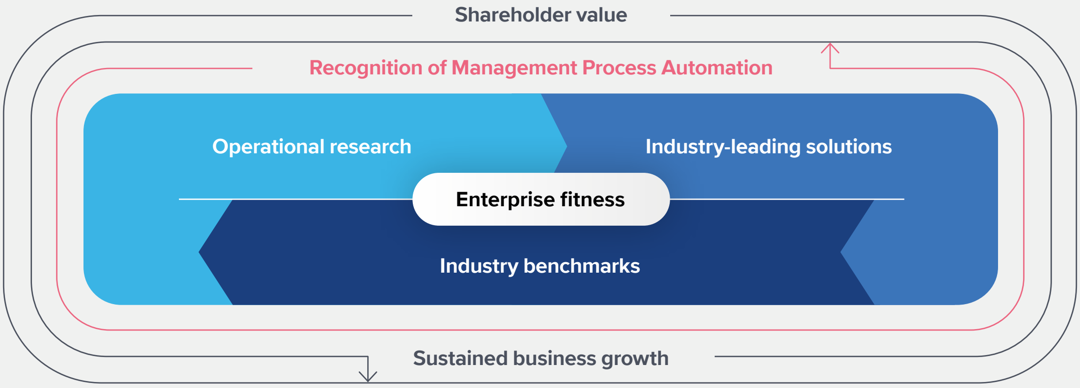
SaaS revenues: 85% (2021: 87%) – we sell software licences for our ControliQ, WorkiQ and CaseworkiQ products. Our software is licensed on a per-user basis and licences include the provision of the SaaS service, support and access to future upgrades. Training and Implementation revenues: 15% (2021: 13%) – we provide training, implementation and integration services to deploy our solutions and help customers gain maximum value from their investment in ActiveOps.

UNDERPINNED BY OUR CORE VALUES

GLOBAL – IN OUTLOOK, STANDARDS, CUSTOMERS UNDERPINNED BY OUR CORE VALUES AND COLLEAGUES

HOW WE CREATE VALUE

Our unique combination of talented people, domain expertise and focus on enterprise fitness enable us to produce pragmatic, rounded solutions which deliver sustained long-term value to our customers.



HOW WE CREATE VALUE FOR OUR STAKEHOLDERS

Customers
We enable our customers to deliver critical services more efficiently and effectively. Customers typically improve productivity by 15% or more in the first year of using our solutions. Our solutions enable customers to balance productivity with employee experience. Their employees benefit from working in a more well-managed and engaging environment, better equipped to offer flexibility over when and where people work.

Employees
Our employees work in an exciting, fast paced environment where the work they do makes a genuine difference to the performance of our customers' businesses. They have rewarding careers in highly skilled disciplines and many are able to extend their skills into new areas and support the business in multiple regions during their career. Overall employee engagement was rated 4.0 out of 5 (4.1 last year) in our annual employee survey with a significant increase in participation with 81% of people responding (2021: 65%).

Investors
Our business model, supported by our strategy, aims to deliver sustainable long-term growth and returns to our shareholders.

Communities
We rely on, and aim to make a positive impact on, the local communities and environments in which we operate including reducing environmental impacts.

EXPERT – LEADERSHIP BY STANDING OUT FROM THE CROWD

AUTHENTIC – TO OURSELVES AND ABOUT OUR COMMITMENTS

COLLABORATIVE – TO LEVERAGE COLLECTIVE BRILLIANCE

WE ARE BUILT ON EXPERTISE

Strategic Pillars	Priorities	Developments in FY22
Operations research	Understanding the challenges and future requirements of running operations	• Created an insight and innovation function, including an expanded data science capability • Established a knowledge transfer partnership with Reading university to complement internal capabilities • Developed AI and ML powered forecasting/planning automation prototypes • Refined our organisation structure to better connect our Customer Success team with our research and development agenda
Industry-Leading Solutions	Developing and codifying intellectual property into enterprise scale solutions to the challenges of running complex operations	• Released Collector, a new component using task mining technology to automate the counting and aggregation of completed work, providing an accurate picture of productivity whilst reducing the time spent on data • Developed CaseworkiQ, a new offering for complex case-management operations, providing increased market opportunity in both existing and new customers • Released new WorkiQ capability to support management of presence in offices in line with Covid vaccination and testing requirements • Doubled research and development capacity to support delivery of our product vision
Industry benchmarks	Publishing data and setting definitions which support organisations to make informed choices about their operations	• Fully deployed OpsIndex, our unique operations performance benchmarking service across our global customer base • Established ActiveOps customer awards in our three regions, with winners based upon their OpsIndex results
Enterprise fitness	Making our solutions uniquely accessible and persistent in the largest enterprises	• Integrated digital adoption technology into our software to streamline user onboarding and adoption of new features • Further strengthened the benefits realisation workstream in our implementation programmes • Extended our Microsoft partnership to enable our solutions to be purchases through Microsoft using existing committed Azure spend
Recognition of Management Process Automation	Make Management Process Automation (MPA) a recognised capability for back-office operations	• Launched a customer council in each of our three key regions to provide external thinking and challenge • Expanded our programme of engagement with industry analysts to raise awareness/understanding of the opportunities provided by management process automation • Established annual ActiveOps customer awards in each of our key regions to recognise customers achieving outstanding results via MPA

Our success has been built upon our authority and expertise in two distinct areas: back-office operations management expertise, and our ability to codify this into a platform which is effective, easy to adopt and simple to maintain at enterprise scale. Our future success will be built upon maintaining our position as thought leaders, expanding the scope of Management Process Automation we offer and further simplifying the running of operations.

FY23 Focus Areas	KPI Linkage	Risk Linkage
• Development of AI and machine leaning capabilities to support our product roadmap. Focusing on capabilities solving known major-issues for our market: – Identification and maintenance of employee skills – Early warning of degradation in leading indicators of employee engagement – Automatic prompting of managers of actions they can take to optimise performance	1, 2, 3, 8, 9, 10, 11	Read more about our risk management on **page 34**
• Delivering further automation to our users via AI and machine learning (see more in the row above) • Extending software capability to support centralised workforce management teams • Increasing the connectedness of our software through: – Better use of our data integration capabilities within our existing customer base – Enhancing ActiveOps presence in the ecosystem of technologies used to run world-class operations	1, 2, 3, 8, 9, 10, 11	Read more about our risk management on **page 34**
• Extending our benchmarking service to provide employee experience comparisons, providing a vital early-warning system for signs of declining engagement	1, 2, 3, 8, 9	Read more about our risk management on **page 34**
• Increasing the implementation/adoption options available to customers as a result of the increased automation present in the technology • Expanding the proportion of an organisation's operations who can benefit from ActiveOps' capabilities as a result of CaseworkiQ and other product evolutions	1, 2, 3, 4	Read more about our risk management on **page 34**
• Enhancing ActiveOps presence in the ecosystem of technologies used to run world-class operations	1, 2, 3, 4, 8, 9, 10, 11	Read more about our risk management on **page 34**

The Board monitors the Group's progress against its strategic objectives, assessing financial and non-financial performance against the Group's strategy and budgets.

Financial KPIs

1
ANNUAL RECURRING REVENUE

Exit ARR – Unaudited

£20.1m

Definition
The exit position of recurring revenue from contracts with customers.

2022 performance
Exit ARR has increased by 10% as a result of both sales to existing customers and sales to new customers.

Link to strategy

Link to risks
Read more about our risk management on **page 34**

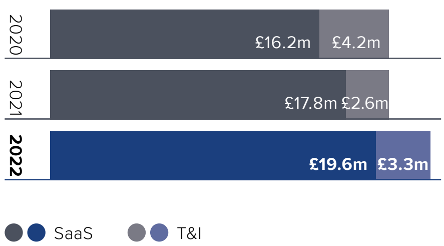
2
TOTAL REVENUE

Total Revenue – Audited

£22.9m

Definition
SaaS revenues from license sales to access ControliQ, WorkiQ and CaseworkiQ and Training & Implementation revenues from implementations delivered to customers.

2022 performance
Organic SaaS revenue growth of 10% is ahead of prior year organic SaaS growth (YE21: 8.0%).



Link to strategy

Link to risks
Read more about our risk management on **page 34**

3

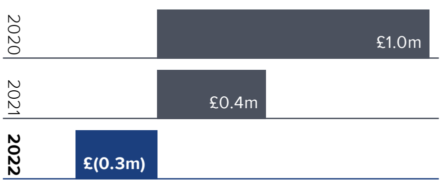
ADJUSTED EBITDA

Adjusted EBITDA – Audited

£(0.3m)

Definition
Operating profit before depreciation, amortisation, share-based payment charges, exceptional items and including forex movements.

2022 performance
ActiveOps has maintained its broadly breakeven approach by managing the growth in the cost base in line with revenue growth during the uncertainty of the Covid-19 pandemic. The business is investing in Sales, Account Management, Marketing and R&D ahead of revenue growth.



Link to strategy

Link to risks
Read more about our risk management on **page 34**

4

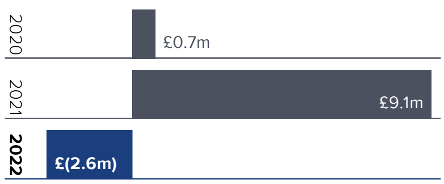
PROFIT/(LOSS) FOR THE YEAR

Loss for the year – Audited

£(2.6m)

Definition
Reported profit or loss for the year.

2022 performance
Continuing operations loss for the year has improved versus prior year following a lower tax charge than in FY21 (FY21: Loss £2.7m).



Link to strategy

Link to risks
Read more about our risk management on **page 34**

5

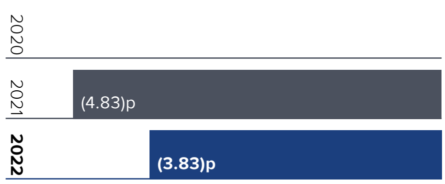
EARNINGS PER SHARE

Earnings Per Share – Audited

(3.83)p

Definition
EPS is calculated as basic earnings per share from continuing operations.

2022 performance
EPS has improved slightly following a smaller loss from continuing operations in the year.



Note: 2021 restated to reflect average number of shares in issue.

Link to risks
Read more about our risk management on **page 34**

Financial KPIs continued

Non-Financial KPIs

6

NET DEBT/ CASH

Net Debt/Cash – Audited

£13.8m

Definition
Cash on the Balance sheet at the period end less any outstanding external loans.

2022 performance
Cash remains strong and increased by £0.7m versus prior year (once employment taxes due to tax authorities following the IPO of £3.5m are excluded). Underlying operating cash flow remains positive at £1.5m.

Link to risks
Read more about our risk management on **page 34**

7

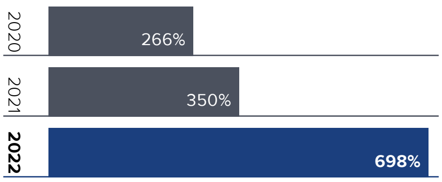
OPERATING CASH CONVERSION

Operating Cash Conversion – Unaudited

698%

Definition
Cash generated from Operation in the Consolidated Cash Flow Statement, adjusted to exclude cash payments for exceptional items as a percentage of adjusted EBITDA.

2022 performance
ActiveOps continues to drive cash ahead of profit following the annual in advance billing model.



Link to risks
Read more about our risk management on **page 34**

8

NUMBER OF CUSTOMERS

Number of Customers – Unaudited

81

Definition
Number of Customer logos at the end of the period.

2022 performance
Customer numbers in the year were broadly flat with some significant new customers added and some smaller customers leaving (ARR 3%).

Link to strategy

Link to risks
Read more about our risk management on **page 34**

9

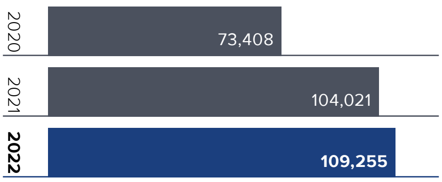
NUMBER OF SOFTWARE USERS

Number of Software Users – Unaudited

109,255

Definition
Number of users who have access to the software platform.

2022 performance
The number of users of the WorkiQ and ControliQ platforms has increased by 5% in the year reflecting the underlying growth in customer users.



Link to strategy

Link to risks
Read more about our risk management on **page 34**

10

NUMBER OF EMPLOYEES

Number of Employees – Unaudited

194

Definition
Number of employees at the end of the period.

2022 performance
Investment in the wider team has continued in the year with increasing investment in Sales, Account Management, Marketing, Technology and Product.

Link to strategy

Link to risks
Read more about our risk management on **page 34**

11

EMPLOYEE ENGAGEMENT

Employee Engagement – Unaudited

4.0

Definition
The business undertakes annual engagement surveys measuring a variety of employee engagement metrics including culture, communication, alignment with company purpose, compensation and opportunities for development. Each area has a maximum score of 5.

2022 performance
Employee engagement has been maintained over the year with an improved response rate of 81% (FY21: 65%). ActiveOps has adopted a hybrid working policy to promote flexibility for employees. We have also launched a LinkedIn learning platform which is available to all employees.

Link to strategy

Link to risks
Read more about our risk management on **page 34**

GROUP FINANCIAL PERFORMANCE AND CHIEF FINANCIAL OFFICER'S REPORT

PADDY DELLER, CHIEF FINANCIAL OFFICER

INVESTMENT **TO GROW**

I am pleased to report on a robust year for the group with 12% organic revenue growth to £22.9m and the delivery of investment plans to enable the business to scale effectively as we move forward. This investment generated a loss for the year of £2.6m and builds a solid platform to enable the group to execute against its strategy. We have commenced the new financial year well, and trading is on target to generate a positive run-rate EBITDA at the end of the current financial year.

	Year ended 31 March 2022			Year ended 31 March 2021		
	SaaS £000	**T&I £000**	**Total £000**	SaaS £000	T&I £000	Total £000
Revenue	**19,564**	**3,353**	**22,917**	17,794	2,600	20,394
Cost of sales	**(2,974)**	**(1,423)**	**(4,397)**	(2,364)	(1,361)	(3,725)
	16,590	**1,930**	**18,520**	15,430	1,239	16,669

Revenue
Annual Recurring Revenue of £20.1m at 31 March 2022 has grown 10% versus the prior year (31 March 2021: £18.3m) as a result of sales to nine new customers generating new ARR of £1.3m, and ARR from existing customers, increasing by 2% (2% constant currency). These significant sales successes, have been offset by structural changes to the operations of several customers, including operations having been moved to lower cost jurisdictions (leading to lower license fees) and certain lines of business having been closed.

Total revenue at £22.9m was 12% ahead of prior year, with software and subscription revenues increasing 10% to £19.6m (FY21: £17.8m) with increased revenues generated from both new and existing customers.

Training and Implementation (T&I) revenues have increased to £3.4m (FY21: £2.6m) following low levels of implementations in the first half of FY21 due to the Covid-19 pandemic. T&I revenues continue to vary by product and region depending on the mix of customer implementation requirements, with YE22 seeing proportionately higher levels of WorkiQ sales through both cross sell and new customer wins, versus prior periods with a lower mix of implementation requirements.

Margins and Operating Profit
Gross margins have reduced slightly to 81% (FY21: 82%). SaaS revenue margins have decreased to 85% (FY21: 87%) as a result of stepped investment in helpdesk activities to support further growth in the business. This has been offset by a larger proportion of T&I revenues, which have a higher margin, compared with the prior year. T&I revenues and margins vary according to the product mix (WorkiQ versus ControliQ), the location of implementations (higher cost jurisdictions delivering higher margins) and level of support required by ActiveOps coaches on each delivery. FY22 saw a higher mix of ActiveOps led implementations in high-cost jurisdictions.

Operating expenses (excluding share based payments, depreciation, amortisation and exceptional items) increased to £19.0m (FY21: £16.4m) following the investment ActiveOps has made in people with year-end headcount increasing by 24 heads. The research & development capabilities of the business have been significantly expanded to enhance the speed of deployment of updates to the technology platform. We have also continued to expand sales and account management teams in all regions. Travel costs have increased over prior years, particularly in the second half of the year as the impact of the Covid-19 pandemic diminished. Costs associated with managing a PLC also increased following the company's IPO in March 2021.

Adjusted EBITDA moved to a loss-making position of £0.3m (FY21: profit £0.4m) excluding the costs associated with share-based payments (FY22: £0.6m; FY21 de minimus) and M&A activities (FY22: £0.5m; FY21: £0.9m).

Product and Technology Expenditure
Total expenditure on product management, research, maintenance and support in the year increased to £4.0m (2021: £3.4m) following investment in all areas. This investment increased the software engineering headcount, providing vital capability and capacity to deliver our exciting roadmap of new features. We also expanded our data science capability which will result in increased use of Artificial Intelligence and Machine Learning within our products. Research & development costs of £0.4m were capitalised during the year relating to new features incorporated into ControliQ. Costs incurred relating to the simplification of the underlying software architecture are not able to be reliably measured and have therefore been expensed through the P&L.

Exceptional Items & Long-Term Incentive Plan (LTIP) charges
During the year the income statement charge for the LTIP incentives issued at IPO was £0.6m (FY21: de minimus). There were also exceptional charges of £0.5m relating to an acquisition that did not complete as a result of funding from the stockmarkets being unavailable following the Russian invasion of Ukraine.

Foreign Exchange
The Group has 49% (2021: 50%) of revenues invoiced in currencies other than GBP, with the group's cost base predominantly located in the same currency jurisdictions, providing a natural hedge to currency exchange risk. Movements on exchange rates throughout the year represent a movement of less than 1% in either revenues or costs.

Depreciation and Amortisation
Depreciation and amortisation of £1.0m (FY21: £1.1m) principally comprised intangible amortisation following the acquisition of the OpenConnect entity in 2019 and the Australian entities in 2017.

Taxation
The Group had a tax charge in the year of £0.1m (FY21: £0.7m). The group operates a transfer pricing policy to ensure that profits are correctly recorded in each of the jurisdictions in which it operates. ActiveOps has brought forward tax losses in the UK and Irish legal entities that currently reduce the overall tax rate of the business.

Statutory Results
The Group reported a loss of £(2.6m) (FY21: profit £9.1m, operating loss from continuing operations of £2.7m).

Earnings per Share
As a result of the Group's investments in research, development, sales and marketing, the loss attributable to equity shareholders per share for continuing operations was 3.83p (FY21: 4.83p).

Dividend
The Board has determined that no dividend will be paid in the year. The Group is primarily seeking to achieve capital growth for shareholders. It is the Board's intention during the current phase of the Group's development to retain distributable profits from the business to the extent they are generated.

Balance Sheet
The Group has retained a strong balance sheet position with no debt and net assets at 31 March 2022 of £8.5m (FY21: £10.5m) including cash of £13.8m at the end of the year (FY21: £16.6m).

Goodwill and intangible assets
The carrying value of the Group's goodwill of £1.2m (FY21: £1.1m) was reviewed by the Board with no indications of impairment. The intangible assets at £4.3m (FY21: £4.5m) arising from business combinations for customer relationships, purchased software and capitalised development costs are amortised over an appropriate period.

Working Capital
The Group continues to generate positive working capital with the ratio of Operating cashflow to EBITDA at 698% for the year (FY21: 350%) excluding the impact of £3.5m paid to tax authorities at the beginning of the year, relating to employment taxes due from the exercise of share options and sale of shares at the IPO on 29 March 2021.

The Group continued to bill customers annually in advance for software revenues with deferred income of £8.3m (2021: £8.4m). The seasonality of existing contract customer renewals in the second half of the year delivered a strong increase in cash over that period.

Paddy Deller

Paddy Deller
Chief Financial Officer

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ActiveOps has always been proud to be a diverse, global business and has sought to adopt sound governance structures through its development. Since our listing in March 2021 we have taken steps to adopt a more formal approach to managing and developing our ESG agenda.

Simplifying how organisation's control operational performance has a transformative impact on organisational success, the wellbeing of employees and the outcomes for customers. The Group's ESG agenda supports this goal by delivering positive impacts for our employees, the environment and our wider stakeholders.

This report represents the Environmental, Social and Governance information and metrics which have been adopted by ActiveOps in the first year of being quoted on the AIM market of the London Stock Exchange, and includes details of the process used by the Group to select an appropriate framework to support future development of the Group's ESG focus.

Context and framework selection

Prior to becoming a public company, ActiveOps managed its Environmental, Social and Governance impacts through a framework of practices, policies and processes that ensured the business was taking appropriate steps in these important areas. Since the IPO, the Board has put in place a more formal framework in line with ESG reporting requirements, enabling a more structured approach to be taken.

The Board has established an ESG committee led by Hilary Wright (independent Non-Executive Director) with appropriate representation from within the business. This committee led the work to recommend to the Board a relevant framework and the subsequent development and implementation of appropriate actions, to ensure a robust ESG agenda is in place for the business. The committee has also put in place appropriate reporting structures and developed policies and procedures which support the Company's ESG goal of making a positive impact for our employees, customers and wider stakeholders to deliver our strategic vision.

The Committee reviewed six well recognised reporting frameworks to ascertain the best fit for ActiveOps. These frameworks were selected based on the Group's own research and input from advisors and investors. Three frameworks were shortlisted for further review:

- UN Sustainable Development Goals
- Taskforce for climate related disclosures (TCFD)
- Global Reporting Initiative (GRI)

These frameworks were reviewed by the ESG Committee with consideration as to whether the frameworks were appropriate for the industry and sector that ActiveOps operates in, whether the framework listed specific measures or provided more general guidance, and the stakeholders that might be impacted by the selection of a specific framework. The output of this review was cross referenced to the frameworks selected by other peer group companies, with input from some shareholders, professional advisors and research analysts. The Committee determined that the Global Reporting Initiative (GRI) was an appropriate framework to be used for ActiveOps on the basis that it was the most widely used standard for reporting on ESG impact globally and had been developed over many years with multiple stakeholder contributions. GRI Standards aim to meet the information needs of all stakeholders, and the modular structure supports both comprehensive reports and selected disclosures. The framework is industry agnostic and, given the breadth of coverage across Environmental, Social and Governance areas, enables ActiveOps to identify relevant material items to focus on. It was also recognised by shareholders and professional advisors as being the most relevant for ActiveOps. The ESG committee (on behalf of Group employees) determined the GRI as the framework to deliver ongoing value and guidance in the development of the organisation.

The GRI framework is comprised of three core standards and 33 individual standards broken down between Environmental (eight standards), Social (18 standards) and Economic & Governance (seven standards) as noted below:

OVERVIEW OF THE SET OF GRI STANDARDS

The ESG committee evaluated the standard reporting requirements in the GRI 100 series along with all 33 standards under GRI 200, GRI 300 and GRI 400 and identified six material areas as noted below, for the first phase of review completed in the year to March 2022. A further 11 standards were identified as applicable with a medium or low impact for the Group, with these standards to be evaluated in subsequent periods.

Environmental (planet)
The Group recognises that its activities should be carried out in an environmentally responsible manner where possible. We aim to ensure that we can grow sustainably minimising the environmental impacts of not just of our products, but also in how we operate as a business.

As a supplier of software solutions, we have no manufacturing facilities and our premises exclusively comprise office space. The Group actively minimises waste and has adopted recycling policies, for example in respect of our paper consumption, as well as ensuring energy usage is efficiently managed both inside and outside of office opening hours. As a Group we are committed to proactively reducing our carbon footprint and have put in place measures to assess the current position of the business.

The two biggest contributors to ActiveOps own carbon footprint are data centres and travel. Our data centre provider, Microsoft Azure, is carbon neutral as well as offering world class levels of security and service at a competitive price as part of the Group's gold partner relationship with Microsoft.

Travel to meet customers and to enable effective collaboration is an important part of the Group's operations. During the Covid-19 pandemic travel reduced to negligible levels. As travel restrictions have eased the levels of travel have increased, however the overall levels of travel are lower than pre-pandemic levels, with most implementations being carried out remotely, lower levels of daily commuting to the office and lower levels of inter-office travel. The Group has also moved its travel management to a system which provides real time tracking of CO_2 emissions for all travel, not just flights. The system is required to be used for travel and accommodation bookings across the company, so that the Group can measure and manage the CO_2 impact of its travel patterns.

Within the Global Reporting initiative, ActiveOps has identified four environmental standards which are relevant to the business, including the reporting of energy usage. We have introduced procedures to measure the Group's Carbon Dioxide equivalent (CO_2) emissions for those activities which make a material contribution. Scope 1 & 2 emissions are calculated using data from our offices across the world, reflecting how we heat and cool our offices along with the electricity we use. Scope 3 emissions are predominantly from travel, hotel stays, data centre energy use and outsourced support and activities by key suppliers.

GRI 302 – Energy consumption

Scope	Emissions (Tonnes CO_2)	Emissions (kWh)	% of total	Tonnes CO_2/FTE	kWh/FTE
Scope 2 – Indirect emissions from purchased electricity in our offices[1,2]	10,664	45,741	4%	57	244
Scope 3 – Other indirect emissions, primarily travel and hotel stays	229,010	982,285	96%	1,231	5,280
Total	**239,674**	**1,028,026**	**100%**	**1,289**	**5,525**

1 Calculated based on electricity consumption where available converted to CO_2 or cost incurred and converted to kWh at a rate of 0.23 kWh/Tonne CO_2.
2 Hosting facilities are provided on the Microsoft Azure platform which is a 100% carbon neutral platform – no CO_2 consumption has therefore been included.

Source https://azure.microsoft.com/en-gb/global-infrastructure/sustainability/#resources

ActiveOps recognises that the first step to being able to reduce consumption is the ability to measure current CO_2 consumption. The Group will use FY22 and FY23 data to establish a baseline for the Group's consumption of CO_2. Once captured, this data will enable targets to be set for reduction and mitigation of CO_2 emissions and action plans to deliver those targets and move towards net-neutral carbon footprint.

The Group also evaluated all other areas covered by GRI 300 and concluded that they were either not applicable or the impact was not material.

Social (community and people)

The success of our business is founded in our people and our culture – the way we think, behave and act towards each other. Our culture is underpinned by our values – 'global', 'expert', 'authentic' and 'collaborative', which support our vision of simplifying the running of operations and reflect what the company stands for. We celebrate these values by recognising role models in the business and rewarding behaviours that are aligned with our values.

Our product professionalises and develops valuable and transferable skills and use of our products enhances the working environment for our customers, reducing stress and improving wellbeing. The transition to hybrid working patterns for many has heightened the need for effective support in managing work, which is provided by the solutions we deliver to our customers.

We are committed to giving back through engaging in charitable and volunteer efforts within our local communities to enable individuals to flourish through learning. We support our people to contribute one day per year to educational volunteer programmes by sharing their knowledge, experience and enthusiasm. Over the last year we have engaged with Brighter Tomorrow in Dallas, a charity whose primary goal is to provide emergency safe shelter, where survivors of domestic violence and sexual assault can begin healing. ActiveOps has put together several donation drives, including 'PJs and Popcorn' donating 200 pairs of pyjamas, and 'I Wish' donating toiletries, bedding, and cleaning supplies, to prepare their clients to move on with the next phase of a more independent future. ActiveOps employees volunteered their time to help Brighter Tomorrow assemble much-needed beds for incoming clients. In the UK we have provided IT expertise and support to SOFEA, a charity which provide education, employability and wellbeing programmes for vulnerable youngsters. The Group also provided support to the families of employees in India and Africa during periods when Covid-19 was having a significant impact.

The Group is committed to diversity and inclusion ('D&I') across gender, sexual orientation, marital status, race, colour, nationality, ethnic or national origin, education, religion, age and disability. It underpins the results we achieve, our relevance across regions and cultures, and drives innovation and long-term sustainability. In order to further progress diversity the Group has implemented processes to capture the diversity of the organisation to give an accurate picture of the diversity in the business. The ActiveOps 'Change Group' provides a forum for representatives from all areas of the business to have input to proposed changes within the business and updates to policies and practices which affect our customers and people.

An annual employee engagement survey seeks employee views on the diversity, inclusivity and culture of ActiveOps as well as other aspects of the business. The 2022 survey had a high completion level of 81% (FY21: 65%) and maintained a high overall engagement score of 4.0 (2021: – 4.1) out of 5, with functional and regional action plans developed to further enhance engagement across teams.

Developing our people is important to the success of the Group with training offered in support of this. ActiveOps rolled out a Global LinkedIn learning platform in January 2021 which is available to all employees with appropriate courses suggested for individuals to complete. In the first four months since launch a total of 146 modules had been completed by 95 (49%) team members. ActiveOps has also implemented a comprehensive information security and data protection training and assessment programme. This programme forms part of the induction for new joiners and all employees undergo an annual refresher. Our most recent programme featured data protection awareness including (GDPR (EU/UK) and HIPAA (US Healthcare privacy laws)), avoiding dangerous attachments and phishing attacks, data loss prevention, and working safely from different locations. Employees and associates confirm and attest to their understanding of company policies on information security, data protection as well as general organisation policies available in the ActiveOps Employee Handbook.

To further enhance the existing benefits available to employees, ActiveOps launched a Global Share Purchase Plan in January 2021 which enables employees to purchase ActiveOps shares directly from their salary, with ActiveOps matching each share purchased with a free share after a three-year period (up to a maximum amount).

The impacts of the Covid-19 pandemic have had a significant impact on our customers and employees. Through the pandemic the Group has increased the number of employees from 170 to 194 with increases predominantly in the UK and USA. To enable a more flexible working place and to reflect the changes in working practices as a result of the pandemic, ActiveOps has introduced a flexible 'Ways of Working' policy that enables all employees to work either from home or an office environment. The Ways of Working policy recognises the importance and value of collaboration as well as flexibility and encourages all team members to collaborate effectively through regular gatherings in our different jurisdictions.

The Group will continue to look at ways of further supporting our team members and to increase the diversity of the business, with a number of areas being developed in the upcoming year.

Within the GRI framework, ActiveOps has identified the relevant standards that will help drive the people agenda for ActiveOps. These standards will further promote the diversity that we enjoy across the employee base. The following data forms the basis of the GRI reporting in this area:

GRI 401 & 405

Gender	Women 2021	Women 2022	Men 2021	Men 2022
Existing Workforce	38%	36%	62%	64%
New Hires	43%	25%	57%	75%
Leavers	31%	33%	69%	67%
Governance Board	25%	33%	75%	67%
Managers	39%	37%	61%	63%
Employees	38%	36%	62%	64%

Age	Less than 30 years old 2021	Less than 30 years old 2022	30 – 50 years old 2021	30 – 50 years old 2022	Over 50 years old 2021	Over 50 years old 2022
Existing Workforce	19%	16%	60%	65%	21%	18%
New Hires	24%	21%	66%	65%	10%	14%
Leavers	12%	17%	44%	55%	44%	28%
Governance Board	0%	0%	50%	50%	50%	50%
Managers	13%	14%	77%	72%	10%	14%
Employees	22%	18%	57%	65%	21%	17%

GRI 401
ActiveOps is committed to treating its employees equally and has the same benefits available to both full time and part time employees. ActiveOps seeks to ensure that a competitive wage and benefits package appropriate to each jurisdiction is available to all employees with a range of benefits and initiatives in place to support each person.

GRI 405
ActiveOps has a global diversity & inclusion charter and equal opportunities policy which states that we treat all employees and applicants fairly regardless of gender, sexual orientation, marital status, race, colour, nationality, ethnic or national origin, age or disability. We are committed to and proud of having a diverse and inclusive environment which has been central to our success and growth, whilst ensuring our relevance across regions and cultures.

GRI 406
ActiveOps has policies in place that cover the grievance procedure, whistleblowing, anti-harassment and bullying, and an equal opportunities policy is in development.

There have been no incidents of discrimination reported in the period.

Governance
A strong corporate governance foundation is important and the group has adopted the Quoted Companies Alliance (QCA) code which is constructed around ten broad governance principles. Further detail on how we comply with each principle can be found in our Corporate Governance statement on page 44.

We carefully consider the Chartered Management Institute Code of Conduct and aim to adopt the highest standards of ethics and conduct and align these with our values, specifically:

- Behaving in an open, honest and trustworthy manner.
- Acting in the best interests of our organisation, customers, clients and/or partners.
- Continually developing and maintaining professional knowledge and competence.
- Creating a positive impact on society.
- Respecting the people with whom we work.

In addition to this alignment we have reviewed the Global Reporting Initiative standards within GRI 205 and GRI 207 and updated our policies and procedures in the following areas:

- Anti-Bribery & corruption – full risk assessment and formal training to be completed across the group in year ending 31 March 2023.
- Company Code of conduct aligned to the Chartered Management Institute Code of Conduct and Practice.
- Whistleblowing policy.
- The Groups approach to tax and an anti-evasion tax policy.
- Vendor management policy.

PRINCIPLE RISKS AND UNCERTAINTIES

The Group faces various risks and uncertainties that have the potential to impact the Group financially, operationally, strategically and reputationally. While it is not possible to identify or anticipate every risk, the principal risks and uncertainties faced by the Group and the steps in place to mitigate these risks are described below. The Board has overall responsibility for risk management and internal controls and is fully supported by the Audit Committee.

Risk	
Growth strategies and management	As detailed on pages 22 and 23, the Group intends to carry out certain growth and expansion strategies. The Group's growth and future success will be dependent to some extent on the successful completion of such growth and expansion strategies currently undertaken or proposed to be undertaken by the Group and the sufficiency of demand for the Group's products. The Group's growth strategy is partly reliant on expanding its user base with a customer as a result of successful early deployments and strong customer relationships. Any failure of the Group's solutions to deliver value in this crucial expansion phase would significantly impede growth.
Significance of key account relationships	The Group has certain key customers who may seek lower prices or may reduce their demand for a product or services of the Group. The relationship of the Group with its key customers could be materially adversely affected by a number of factors, including a decision by a key customer to diversify or change how, or from whom, they source a product or services currently provided by the Group, an inability to agree on mutually acceptable pricing terms with any one of its key customers or a significant dispute with or between the Group and one of its key customers. If the Group's commercial relationship with a number its key customers terminates for any reason, or if a number of its key customers significantly reduce its business with the Group and the Group is unable to enter into similar relationships with other customers on a timely basis, or at all, the Group's business, its results of operations and/or its financial condition could be materially adversely affected.
Technology change and competition in a rapidly evolving market	In today's rapidly evolving market, the Group expects that new technology will continue to emerge and develop. Although the Directors believe that significant barriers to entry exist in the markets in which the Group operates, including the deep domain knowledge necessary in order to be able to design and specify its technology, the risk exists that new technology may be superior to, or render obsolete or unmarketable, the products that the Group currently offers. In order to limit the impact of technological changes and remain competitive, the Group must continually update its products. The Company's success will depend, in part, on its ability to develop and adapt to these technological changes and industry trends.
Undetected defects in the products provided by the Group	The Group's business involves providing customers with a reliable product. If a product contains undetected defects when first introduced or when upgraded or enhanced, the Group may fail to meet its customers' performance requirements or otherwise satisfy contract specifications. As a result, it may lose customers and/or become liable to its customers for damages and this may, amongst other things, damage the Group's reputation and financial condition. The Group endeavours to negotiate limitations on its liability in its customer contracts where possible, however, defects in a product could result in the loss of a customer, a reduction in business from any particular customer, negative publicity, reduced prospects and/or a distraction to its management team. A successful claim by a customer to recover such losses could have a material adverse effect on the Group's reputation, business, prospects, results of operation and financial condition.

Mitigation

The Company's growth and expansion strategies are largely structured around 'known variables' – growing in established markets and targeting sectors in which we have strong credibility, on the back of tried and tested assumptions around price and penetration.

In addition, there is clear communication of strategy and alignment throughout the organisation, with the Executive Management Board responsible for delivering against defined strategic initiatives. The Group's growth and expansion strategy is carefully budgeted and resourced for, with clear metrics for success. We have built a very robust sales management system, with capacity that is not only fit for current activity but scalable for future growth.

Customer success is an integral part of the Group's focus, with regular reviews of customer performance against benchmark data to ensure customers are getting maximum value from our products and services and aligning with customer's strategic imperatives in order to secure account retention.

Senior Leader Councils exist in each of our regions and meet twice per year. Members of the councils are drawn from the leadership team within our customers and contribute their thinking to our product development roadmap, ensuring that our products meet emerging business needs.

A comprehensive set of Customer Success metrics, including customer health and usage, are prepared each month and reviewed by the Executive Management Board.

Technological change broadly takes two forms: advances in our competitors' technology offerings and functions which could render our products uncompetitive; and advances in the underlying technology frameworks, models, security frameworks and architectures used to deliver and host SaaS software, which pose a risk that our products are not accepted by the IT influencers within our customers.

In mitigation of the first risk, our expertise in the market and relationships with analysts and customers mean that we have a roadmap of feature development that allows the Group to remain at the forefront of the market. Furthermore, our product function devotes significant effort to analysing market trends and staying ahead of them, while substantial investment in the software development team means we are well placed to deliver on our targets.

To address the second risk area, we ringfence capacity away from feature development into a technical architecture 'lane', with activity directed by the development management team and our Chief Technology Officer. This pool of developers is dedicated to ensuring that we remain current in the tools, frameworks and technologies in use and that announcements in the security community are acted upon quickly. As a result, our underlying platform offers the stability, speed and resilience needed to underpin the functional development we offer.

During FY22, the Group invested significantly in expanding software development, product management and data science capability to accelerate delivery of our product roadmap and maximise our competitive position.

The Group utilises a variety of tools and techniques to detect any defects early and remediate them prior to release. Independent, continuous third-party security and penetration testing is performed 24/7 against both released versions and current development branches. Static code analysis (SCA) tools are utilised within the build pipeline to ensure scanning takes place. Unit test coverage is monitored by those SCA tools and coverage requirements enforced. A combination of manual scripted, automated and exploratory testing provides regression testing and release testing, while staff-only builds provide the opportunity for Group staff employed outside of Technology to interact with versions prior to release. Release cadences vary by product but are designed in all cases to provide the opportunity to release patches and fixes rapidly where a defect or vulnerability comes to light after release. Third party library and components are monitored for vulnerability releases and upgraded out of band if necessary.

Risk	
Reliance on key personnel and management	Attracting and retaining experienced sales and technical personnel is a critical component of the future success of the Group's business, as is the continued training and monitoring of such individuals. The Group is highly dependent upon key senior management personnel who have extensive experience and knowledge of the Group, its products, its customers, its target markets and its business generally. The successful implementation of the Group's strategy depends on the continuing availability of senior management and the Group's ability to continue to attract, motivate and retain other highly qualified employees. If members of the Group's senior management depart and adequate succession plans are not put in place, the Group may not be able to find effective replacements in a timely manner and the Group's business may be disrupted or damaged.
Intellectual Property	Any intellectual property, whether or not registered owned and/or used by the Group in the course of its business or in respect of which the Group believes it has rights, may be prejudiced and/or open to challenge by third parties (including where such third parties have or claim to have pre-existing rights in such intellectual property). In any such case, the Group may be prevented from using such intellectual property or it may require the Group to become involved in litigation to protect its intellectual property rights, each of which may have a material adverse effect on the Group's reputation, business, prospects, results of operation and financial condition. Conversely, while the Directors believe the Group has taken precautions, they cannot guarantee that any action or inaction by the Group will not inadvertently infringe the intellectual property rights of others. Any infringement by the Group of the intellectual property rights of others could have a material adverse effect on the Group's reputation, business, prospects, results of operation and financial condition. Despite precautions which may be taken by the Group to protect its intellectual property, unauthorised parties may attempt to copy, or obtain and use, its intellectual property and the technology incorporated in them. This could cause the Group to have to incur significant unbudgeted costs in defending its intellectual property and technology.
Risk from cyber-attacks	The Group relies on information technology systems to conduct its operations. Because of this, the Group and its systems are at risk from cyber-attacks. Cyber-attacks can result from deliberate attacks or unintentional events and may include (but are not limited to) third parties gaining unauthorised access to the Group's systems for the purpose of misappropriating financial assets, intellectual property or confidential sensitive information, corrupting data, or causing operational disruption. If the Group suffers from a cyber-attack, whether by a third party or insider, resulting in a breach of confidentiality or a data security breach, it may incur significant costs and suffer other negative consequences, such as remediation costs (including liability for stolen assets or information), repairing any damage caused to the Group's network infrastructure and systems and/or fines from the Information Commissioner's Office or third party claims. The Group may also suffer reputational damage and loss of customer or investor confidence.
Inflation	Current levels of inflation across the globe and in the jurisdictions that the company operates in are significantly higher than recent experience. The Group's cost-base is predominantly people based and the group is therefore not significantly exposed to increases in the cost of energy. The successful implementation of the Group's strategy depends on the continuing ability to attract, motivate and retain employees. Wage inflation presents a risk to the profitability of the business if wages increase significantly above the levels included in the Group's forecasts.

Mitigation

The Group's performance management framework is designed with an emphasis on development and supporting role and career progression, which is monitored and developed to meet the ambitions of the business and support effective succession planning. In addition, the Group has a broad management structure, with strong second line leadership and very few single dependencies. The business utilises a number of tools to retain its senior management, including annual bonuses and long-term incentive plans.

The Nomination Committee plays a key oversight role in the Group's talent management and succession planning and supports the continued development of a diverse pipeline for both the board and senior management positions.

The Group has sought to protect its intellectual property by the registration of trademarks and entering into non-disclosure agreements with employees, independent contractors and third parties in the ordinary course of its business, implementing and maintaining internal and external controls and processes restricting access to the intellectual property.

The Group employs security testing measures for the software it deploys and on internal systems. The core platform that the Group relies upon operates with a high number of security protocols, including tracking and recording of all security breaches, testing against trending risks, and suggested IT defensive measures.

The Group's technology function manages strict security protocols and policies to mitigate against any potential security breaches, including obtaining and maintaining external IT and security certifications to validate the Group's IT environment and controls (the Group is both ISO27001 and SOC2 compliant and certified). Lastly, the Group deploys an in-house employee training portal and increased communication with employees to provide updates on IT risks and threats and best practice over data security.

The nature of the Group's customers is such that these measures are assessed by their own experts at both sale and renewal time, providing regular and detailed external validation that the steps taken by the Group are appropriate and sufficient.

The Group has planned for higher wage increases in its forecast projections and takes a proactive approach to reviewing salaries to ensure they are in line with market levels on an annual basis, with ad hoc reviews when required.

The majority of the Group's customer contracts also include inflation linked price increases that are routinely implemented at contract renewal to ensure that the value of contracts is not eroded by the impact of inflation. This helps to offset the impact of wage increases.

SECTION 172 STATEMENT

It is the Board's responsibility to ensure that ActiveOps is managed in the long-term interests of all shareholders and stakeholders in the business. To this end, the Board considers the needs and concerns of all stakeholders in its duties to the Company, as set out in more detail below. By seeking to understand the differing stakeholder interests and impacts through a proactive programme of engagement, the Directors ensure that decision-making is informed and that the development and implementation of our strategy leads to long-term, sustainable success for the Company as a whole.

As required by section 172 of the UK Companies Act 2006, the Directors have acted to promote the success of the Company for the benefit of its stakeholders. In meeting this responsibility during the period, the Directors have had regard, amongst other matters, to:

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

Key decisions made during the period include:

- The adoption of the GRI framework as part of a focused ESG programme. The Board recognises that driving an effective ESG programme, with appropriate criteria that are aligned to corporate strategy, will provide measurable objectives that investors can see, customers can align with and that employees – both existing and prospective – can engage with meaningfully.
- To pursue the acquisition of a complementary software business. Unfortunately, due to unforeseen geopolitical events and the impact on market conditions, the Company was unable to raise the funds and complete the acquisition within the proposed deal structure. After careful consideration, the Board decided to exit the potential acquisition.
- Targeted investment in team expansion. An increased investment in research and development enables the Company to evolve its product offering, increasing its attractiveness to existing and target customers and further differentiating it from competitors. The Board considered customers' needs to plan the optimal use of resources in a hybrid work environment, which the new functionality in ControliQ enables businesses to do.
- Approval and launch of ActiveOps' Global Share Purchase Plan (GSPP), which enables employees to purchase ActiveOps shares directly from their salary. The decision was made in the interests of further increasing employee engagement and to allow employees to benefit from the business success they are helping to create.

The following paragraphs summarise how the Directors fulfil their duties:

Shareholders

The Company looks to develop a broad investor base with those who share our values and are supportive of our strategy. In achieving this objective, the Directors recognise that effective engagement with shareholders is key. In addition to engaging through the Company's Annual General Meeting (AGM) and through stock exchange announcements, the Executive Directors, supported by the Company's broker and Investor Relations advisors, meet with institutional shareholders and analysts after the announcement of the full-year and half-year results. These meetings involve discussion of the Company's strategy, performance and objectives, and provide a valuable forum for investors to offer feedback. Investors and other stakeholders can also access information about the Company on our website.

Employees

The Company recognises that our employees are our most important resource and that their drive for success is a key contributor to the future growth of the Company. During FY22, the Company undertook its annual employee engagement survey, which tracks employee satisfaction against a number of categories, including culture, communication, opportunities for growth, compensation and workplace. The survey had a high response rate and produced a very strong set of results. Amongst the most positive themes – scoring over 90% – were that our employees are proud to work for ActiveOps, see it as a great place to work, and that work at ActiveOps is meaningful and gives people a sense of personal and professional satisfaction. Encouragingly, 83% of employees can balance work with personal commitments, which is an improvement of 7% from the previous year. While ActiveOps has always sought to offer flexibility to employees, during FY22 the Group introduced a formal hybrid 'Ways of working' policy and principles, in order to:

- Support positive mental and physical wellbeing.
- Enable increased work satisfaction and productivity.
- Create a positive environmental benefit through reduced levels of travel.
- Provide a good work life balance for all colleagues.
- Offer flexibility in working whilst still meeting business demands.
- Retain social interaction utilising virtual tools as well as face to face interaction.
- Increase our ability to attract, retain and develop talent.
- Increase engagement.

The CEO, as an Executive Director, holds regular CEO briefings for all employees, providing updates on strategy, goals and progress. These sessions also provide a forum for employees to ask questions of the CEO or give their own views and reflections. The CEO also chairs a monthly 'Change Crowd' forum where employee representatives are engaged in employee and organisation change matters.

Customers

Effective engagement with customers allows the Company to understand customer needs, identify opportunities and challenges, as well as plan our product development and strategy to promote long term value. Relationship managers undertake a structured programme of meetings with our customers to ensure that the value they get from our products and services is maximised. The meetings include a review of customer performance against our benchmark data to identify further opportunities for improvement and a review of the customer's strategic imperatives for the year.

Senior leader councils exist in each of our three geographical regions and meet twice per year. Members of the councils are drawn from the leadership teams of our customers and contribute their thinking to our product development roadmap ensuring that our products meet emerging business needs.

A comprehensive set of Customer Success metrics are prepared each month and reviewed by the Executive Management Board. These metrics include customer health and usage.

During the year, the Group launched the annual ActiveOps customer awards, in which customers in each of our key regions were recognised for their operations management excellence, based on metrics from our OpsIndex benchmarking capability.

After a pause due to the Covid-19 pandemic, we were delighted to welcome customers in-person at the annual ActiveOps conference held in London during October 2021. The conference celebrated the achievements of back-office operations around the world in maintaining service during the pandemic and explored the future of operations in the new and increasingly hybrid and digital world of work.

Partners

Our partner relationships are increasingly important to the success of the Company. Our partners are an important route to market but also have a key role in maintaining some of our customer relationships. Our sales and relationship management teams work closely with our partners to integrate our solutions into their wider offerings and to equip them with the resources and knowledge of our products to ensure their customers achieve the same value as a customer working directly with ActiveOps.

Communities and the environment

As a business, we are passionate about our purpose of simplifying the running of operations. We are proud that simplifying how organisation's control operational performance has not only a transformative impact on organisational success, but also on the wellbeing of employees. Our Corporate Social Responsibility (CSR) policy refers to our responsibility toward the environment. Our company's existence is part of a bigger system of people, values, other organisations and of the environment. We are committed to giving back through engaging in charitable and volunteer efforts within our local communities that enable individuals to flourish through learning. We do this do by hosting fundraising activities which bring employees together in a united effort to help others in need. The Company actively encourages our people to contribute one day per year to educational volunteer programmes by sharing their knowledge, experience and enthusiasm to help disadvantaged people learn, supporting them in achieving their ambitions. During the period, the Company elected to adopt the GRI framework, as part of it included commitment to improving and measuring its environmental and social contributions. More information about our ESG focus during the year can be found on page 30.

The Strategic Report was approved by the Board on 19 July 2022.

Paddy Deller

Paddy Deller
Director

WE ARE STRONG IN OUR LEADERSHIP

1

SEAN FINNAN
NON-EXECUTIVE CHAIR

Appointed: 2019
Sean has over 30 years' experience driving change within international organisations. He joined the Board as a Non-executive Director in 2014 before becoming the independent Non-executive Chair in 2019. Sean previously held a range of senior international leadership roles in the services divisions of IBM, HP and EDS, with P&L responsibility for businesses with multi-billion revenues. He was also President of TechUK (formerly Intellect). He holds an MBA and an MSc in Organisational Behaviour.

A R N

2

RICHARD JEFFERY
CHIEF EXECUTIVE OFFICER

Appointed: 2005
Richard has over 25 years' experience in enterprise software and specialist management consultancy. He co-founded the Group in 2005 alongside Neil Bentley having spent the previous ten years productising and implementing the AOM methodology.

3

PADDY DELLER
CHIEF FINANCIAL OFFICER

Appointed: 2015
Paddy has over 20 years' experience in senior finance roles across the technology sector. He joined the Group in September 2015 and previously worked at Cable & Wireless, where he was Chief Financial Officer of various international divisions over a period of 12 years. His previous experience also includes his role as Chief Financial Officer at Decision Technologies Ltd.

4

MICHAEL MCLAREN
NON-EXECUTIVE DIRECTOR

Appointed: 2021
Mike is currently the full time Chief Financial Officer of FDM Group (Holdings) plc, a FTSE 250 listed IT services business. Mike joined FDM in 2011 when it was under private equity ownership prior to listing in late 2014. He joined the Board in March 2021 and was previously Chief Operating Officer and Group Finance Director of Timeweave plc (formerly Alphameric plc), a premium listed business in the software and services sector. Mike has been an independent Non-executive Chair and Non-executive Director on the Boards of a number of other companies. Mike is a member of the Institute of Chartered Accountants in England and Wales.

A R N

5

HILARY WRIGHT
NON-EXECUTIVE DIRECTOR

Appointed: 2021
Hilary is currently a Non-executive Director of Midwich Group plc, a specialist audio visual distributor to the trade market, and a Director of Plan4Purpose Ltd, a bespoke coaching company. She joined the Board in March 2021 and was previously the Group Human Resources Director of Domino Printing Sciences plc who she joined in 2016.

Her background was formed in retailing, more latterly with Cambridge-based engineering and technology companies, which is where she gained her global experience and was involved in a number of acquisitions. She has held both strategic and operational roles and devised and led the HR direction for significant global growth; ensuring people development, succession planning and talent acquisition are aligned for transformational change. Hilary is a fellow of the Chartered Institute of Personnel and Development.

A R N

A Audit Committee
R Remuneration Committee
N Nomination Committee


1


2


3


4


5

WE ARE EXPERIENCED AND PROFESSIONAL

KULJIT BAWA

MANAGING DIRECTOR: EUROPE, MIDDLE EAST, INDIA AND AFRICA (EMEIA)

Kuljit joined ActiveOps in 2015 and is responsible for the Group's operations in Europe, the Middle East, India and Africa. Kuljit has over 25 years' experience assisting major financial services firms to deliver tangible benefits and change through the use of enterprise software. He has worked with operations and service delivery teams in insurance companies, retail banks, investment banks, fund managers, hedge funds and outsourcing utilities.

PAULA BROWN

HEAD OF OPERATIONS EMEIA AND GROUP OPERATIONS RISK

Paula joined ActiveOps in 2010 and is responsible for running operations across the EMEIA (Europe, the Middle East, India and Africa) region and is also responsible for business operations risk management across the Group. Paula has over 25 years' international experience at senior management levels in the IT, consulting and operations industries, with particular focus on the financial services sector.

KEVIN EVANS

CHIEF TECHNOLOGY OFFICER

Kevin joined ActiveOps in 2017 and is responsible for ActiveOps' software development, customer and application support teams. Kevin joined ActiveOps from Sun Branding Systems where he held the position of Chief Information Officer and previously held senior roles at Access Intelligence Plc, Vital Technology Group and Wingas UK.

REBECCA HUGHES

GENERAL COUNSEL AND COMPANY SECRETARY

Rebecca joined ActiveOps in 2020 from the Technology, Media and Telecommunications team of global law firm Eversheds Sutherland, where she advised clients – from tech start-ups to blue-chip multinationals – across a range of ICT contracts and transactions. She has a wealth of experience in regulatory compliance, governance and risk management strategy.

SPENCER O'LEARY

MANAGING DIRECTOR: NORTH AMERICA

Spencer is responsible for the Group's operations in North America. He joined ActiveOps in 2012 as UK Sales Director and held several senior sales roles prior to relocating to Dallas in 2020. Spencer is responsible for all aspects of ActiveOps operations in North America. Spencer has an operations management background in the UK banking sector and 15 years of software solutions sales management experience.

STUART PUGH

CHIEF CUSTOMER OFFICER

Stuart joined ActiveOps in 2016 and leads the Customer Success and Product functions. Stuart brings over 28 years of experience of leading service operations in HSBC and ADCB where he was a customer of ActiveOps.

ALEX GINGER
HEAD OF STRATEGY AND CORPORATE DEVELOPMENT

Alex joined ActiveOps in 2006 and has held a number of senior management roles within the organisation. Alex is responsible for business strategy and corporate development and has a background in operations performance improvement from prior consulting roles with Impact Plus and Electronic Data Systems (EDS).

JULIAN HARPER
CHIEF REVENUE OFFICER

Julian joined ActiveOps in April 2014 and is currently responsible for all revenue generating activities across the Group, including new business generation, expansion sales and marketing. Prior to joining ActiveOps, Julian was the CEO of RedOwl which was acquired by ActiveOps in 2014 and previously held senior sales and management positions in software solutions businesses.

JANE LAMBERT
MANAGING DIRECTOR: ASIA PACIFIC

Jane is responsible for the Group's operations in Asia Pacific. She joined ActiveOps in 2005 and has held numerous roles within ActiveOps, both in the Asia Pacific region and internationally. She has over 27 years' experience in operations management, consulting, project management across a number of industries and most recently in Customer Success Management.

ALI RICHARDSON
HEAD OF HR

Ali joined ActiveOps in 2021 and is responsible for all aspects of HR across the Group. Ali is a chartered member of the CIPD and has over 15 years' experience in Human Resources across a variety of sectors in large global corporations such as Vodafone and Brakes. She has a breadth of experience across HR including employee relations, reward and learning and development, strategic business partnering and leading HR teams.

WE ARE DETERMINED TO FURTHER OUR REACH

Dear Shareholder,

I am pleased to report on the corporate governance undertaken by the Group during the period under review.

The Board is committed to maintaining high standards of corporate governance and considers that a strong corporate governance foundation is essential in delivering shareholder value. The Company has adopted the Quoted Companies Alliance Corporate Governance Code 2018 (the 'QCA Code'), the corporate governance code tailored for small and mid-size quoted companies and considers this to be appropriate given the nature of ActiveOps' activities and the size of the Company.

The QCA Code is constructed around ten broad principles which ActiveOps seeks to fully adhere to.

Set out below is an explanation of how the Company currently complies with the principles of the QCA Code and, to the extent applicable, those areas where the Company's corporate governance structures and practices differ from the expectations set out in the QCA Code.

"The Board is committed to maintaining high standards of corporate governance and continues to be guided by the Quoted Companies Alliance Corporate Governance Code."

Sean Finnan
Chair

Principle 1: Establish a strategy and business model which promotes long-term value for shareholders
The Board leads the development of the Group's strategy, whilst ensuring the values remain aligned with this principle.

The Board meets regularly to review:
- Operational and business performance.
- Sales, customer success, marketing and product development progress.
- Strategic considerations.
- The progress of previously agreed actions.

The Group has a clear and proven growth strategy to penetrate its large addressable market in the key sectors of banking, insurance and Business Process Outsourcing (BPO). The Group's Growth Strategy has five pillars, described below, and outlined in more detail in on page 22.
- Operations research.
- Industry leading solutions.
- Industry benchmarks.
- Enterprise fitness.
- Recognition of Management Process Automation.

Principle 2: Seek to understand and meet shareholder needs and expectations
The Company is committed to open, two-way communication with its shareholders so there is a clear understanding of its strategy, business model and performance.

The Chief Executive Officer and Chief Financial Officer have regular dialogue with shareholders and analysts to discuss progress against strategy, including the Group's financial results. They meet with its major shareholders in the days following the release of the Company's interim and annual results, to discuss the results statement and to understand the needs and expectations of these shareholders.

Whilst being mindful of the requirements of the AIM Rules and Market Abuse Regulation, the Board may engage with shareholders directly from time to time in relation to matters those shareholders wish to discuss.

The Company seeks to engage with its shareholders through updates to the market via the appropriate regulatory news channels on matters of a material substance and/or regulatory nature. In conjunction with the Company's brokers and other financial and public relations advisers, all relevant news is distributed in a timely fashion through appropriate channels to ensure shareholders are able to access material information on the Company's progress. The Company's website has a section for investors, which contains all publicly available financial information and news on the Company.

The Board recognises the Annual General Meeting ('AGM') as an important opportunity to engage with shareholders who are given notice of the AGM at least 21 days prior to the meeting. The Chair, together with all other Directors attending the AGM, will be available to answer questions raised by shareholders.

Where feedback is provided, including voting decisions against any of the Company's proposed resolutions, the Board will engage with those shareholders to hear and address any issues.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long term success
The Company is aware of its corporate social responsibilities and the need to maintain effective working relationships across a range of stakeholder groups. These include the Company's investors, employees, customers, partners, suppliers and regulatory authorities. The Company's operations and working methodologies take account of the requirement to balance the needs of all these stakeholder groups while maintaining focus on the Board's primary responsibility to promote the success of the Company for the benefit of its shareholders as a whole. The Company dedicates significant time to obtaining feedback on the needs and requirements of these groups which is then, where appropriate, considered by the Board and acted upon.

The Company is committed to attracting and retaining the highest quality of talent and to promoting diversity and equal opportunities. The Company seeks to achieve this through the application of high standards in recruitment and development and providing a strong supportive culture of continuous improvement and innovation. All employees have objectives and have regular dialogue with their managers in relation to personal objectives, team objectives and alignment with the Company's values. Employees are also encouraged to develop their skills and budget is provided for employee training and development. The senior management team engages in regular business update briefings with employees and conducts an annual employee engagement survey. A committee representing employees from across the Group's operations supports the senior management team in designing and implementing change effectively.

The Company seeks to be honest and fair in all relationships with customers, partners and suppliers and encourages feedback from all parties. The Company pays particular attention to its customer relationships and has established a customer success function which is charged with ensuring customers maximise the value of their investment. As a result, the Company is typically regarded as a trusted partner by customers.

The Company takes due account of any impact that its activities may have on the environment and seeks to minimise this impact wherever possible. Through the various procedures and systems it operates, the Company ensures full compliance with health and safety and environmental legislation relevant to its activities. During the period, the Company adopted the GRI framework, and is focused on developing and implementing a robust ESG agenda supported by appropriate reporting, along with ongoing development of procedures and policies supporting the Group's ESG goals.

Further detail of how the Company engages with key stakeholders is set out in the Section 172 Statement on page 38.

CORPORATE GOVERNANCE STATEMENT CONTINUED

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation
The Board is ultimately responsible for the Company's systems of risk management and internal control and for reviewing the effectiveness of those systems in light of any risks identified. The systems are reviewed for effectiveness by the Audit Committee and the Board.

The Company's systems of risk management and internal control are designed to help the Company meet its business objectives by appropriately managing the risks relating to those objectives. The controls can only provide reasonable, not absolute, assurance against material misstatement or loss.

The Board is aware of the need to conduct regular risk assessments to identify any deficiencies in the controls currently operating over all aspects of the Company. To that end the Board maintains a risk register for all activities of the Company. The risk register details the potential risk likelihood and impact, mitigating factors, action owner and appropriate controls and mitigation strategies. The Risk Management Committee (which comprises the Chief Financial Officer, General Counsel, Data Protection Officer, Head of Operations, EMEIA and Group Operations Risk and Head of Strategy and Corporate Development) meet regularly to consider new risks and opportunities presented to the Company, making recommendations to the Executive Management Board, Chief Executive Officer, Board and/or the Audit Committee as appropriate.

A summary of the principal risks relating to the Group are detailed in the Principal Risks and Uncertainties section on page 36.

A comprehensive budgeting process is conducted for review and approval by the Board. The Company's results, compared with the budget (and any relevant reforecasts), are reported to the Board for consideration.

The Company maintains appropriate insurance cover. The insured values and type of cover are comprehensively reviewed by the Board on a periodic basis, after detailed specialist advice from the Company's insurance brokers.

Principle 5: Maintain the Board as a well-functioning, balanced team led by the chair
The Board takes responsibility for developing long term strategies and providing leadership to the Group as a whole, ensuring obligations to shareholders are met. Through the leadership of the Chair, the Board ensures a framework of controls exist which allows for the identification, assessment and management of internal controls and risk, ultimately taking collective responsibility for the success of the Company.

The Board comprises the independent Non-Executive Chair, the Chief Executive Officer, the Chief Financial Officer and two independent Non-Executive Directors. The Board is highly committed and experienced and is supported by a qualified senior management team.

The Chair of the Board has overall responsibility for the corporate governance arrangements of the Company, the provision of effective leadership to the Board, ensuring effective implementation of the Board's decisions. The Executive Directors are directly responsible for running the business operations of the Group. The Non-Executive Directors are responsible for bringing independent judgement and scrutiny to decisions taken by the Board. The Board has not designated one of the Non-Executive Directors as the senior independent director, as that role is not deemed appropriate at this stage of the Company's development. However, the Board will keep this under review. There is a documented schedule of matters reserved for the Board. The Board is supported by the Audit Committee, the Nomination Committee and the Remuneration Committee, as detailed below under Principle 9.

Principle 6: Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities
Each member of the Board brings different skills and experience to the Board and the Board Committees. The Board is satisfied that there is sufficient diversity in the Board structure to bring a balance of skills, experience, independence and knowledge to the Company.

The Board is supported by the Nomination Committee, which is responsible for reviewing the balance of skills and experience of the directors needed on the Board in the course of its work, as set out in the Nomination Committee Report on page 48. Details of the experience and skills of each of the Directors are given on page 40.

The Board receives at its meetings detailed reports from senior management on the performance of the Group and other information as necessary. Regular updates are provided on relevant legal and regulatory, corporate governance and financial reporting developments.

All Directors have access to the advice and services of the Company Secretary and the Board also obtains advice from professional advisers as and when required.

Specific training will be provided to the Board by the Company when required to support the Directors' existing skillsets.

Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement
The effectiveness of the Board, individual directors and senior management is evaluated on an ongoing basis as part of the Board's ongoing review of the business. In addition, the Board undertook an internally facilitated questionnaire based Board evaluation during the financial year. Further detail is set out in the Nomination Committee Report on page 48.

The Chair has overall responsibility for ensuring that the Board discharges its responsibilities, and is also responsible for facilitating full and constructive contributions from each member of the Board in determination of the Company's strategy and overall commercial objectives. This process feeds into the ongoing evaluation of Board performance.

Board and Committee Attendance

Director	Position	Board	Nominations Committee	Audit Committee	Remuneration Committee	Independence	Full time (FT)/ Part time (PT)
Sean Finnan	Non-executive Chairman	10	2	3	3	✓	PT*
Richard Jeffery	Chief Executive Officer	10	n/a	n/a	n/a	n/a	FT
Paddy Deller	Chief Financial Officer	10	n/a	n/a	n/a	n/a	FT
Hilary Wright	Non-executive Director	10	2	3	3	✓	PT*
Michael McLaren	Non-executive Director	10	2	3	3	✓	PT*

* Non-executive Chairman and Non-executive Directors are expected to spend a minimum of three days a month on work for the Company.

The Chair has been tasked with assessing the individual contributions of each of the team members to ensure that:

- their contribution is relevant and effective;
- they are committed; and
- where relevant, can continue to be considered independent.

The Board has established a senior management team with strength in depth in each of its core functions of Sales, Customer Success, Finance, HR, Technology, Product Management and R&D, which it will draw on, together with appropriate external appointments, with regards to succession.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Board places great emphasis on promoting a corporate culture that reflects the Company's ethical principles and values, and is consistent with the company's objectives, strategy and business model.

As the Company works with an international team, considerable importance is placed on a culture of inclusivity and sensitive communication, thereby ensuring that individual cultural values are respected.

The Company encourages innovation, has flat management structures and encourages a culture of continuous improvement. This helps to ensure that communication and understanding flows well within the Company.

The Board supported the implementation of formal HR policies and procedures that set out details and guidelines on the culture of the Company and how this should be reflected in employees' individual conduct. An anti-bribery statement is on the Company's Intranet and the Company ensures that all employees are aware of the anti-bribery policy which sets out the expectations of the Company so far as acceptable business conduct is concerned, in particular that giving or accepting bribes is not acceptable. These policies, along with all other main compliance policies, are provided to employees upon joining the business and recirculated annually. Training is also provided at the induction course and at regular intervals thereafter to ensure that all employees within the business are aware of their importance.

All Company policies are also available to the employees through the Company's HR system and Intranet. The Board has regular interaction with Group company employees and monitors and promotes a healthy corporate culture in this way. Additionally, it ensures sound ethical practices and behaviours are deployed at Board meetings.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision making by the Board

The Board is responsible for the overall leadership of the Group, including the approval of the Group's long-term objectives and strategy, the approval of budgets, the oversight of Group operations, the maintenance of sound internal control and risk management systems and the implementation of the Group's strategy, policies and plans. Whilst the Board may delegate specific responsibilities, there is a formal schedule of matters specifically reserved for decision by the Board. Such reserved matters include, amongst other things, approval of the Group's strategic aims and objectives, approval of significant capital expenditure and approval of the annual operating budget and major corporate transactions.

The Board currently comprises five Directors, of whom two are executive and three are Non-Executive. The Board considers the three Non-Executive Directors, being Sean Finnan, Michael McLaren and Hilary Wright, to be independent for the purposes of the QCA Code. The Board is supported by the Audit Committee, the Remuneration Committee and the Nomination Committee, with formally delegated duties and responsibilities as described below.

Audit Committee

The Audit Committee is responsible for monitoring the integrity of the Company's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Company's internal control and risk management systems and overseeing the relationship with the external auditors, including advising on their appointment, agreeing the scope of the audit and reviewing the audit findings. The Audit Committee Report is set out on page 50.

Remuneration Committee

The Remuneration Committee is responsible for determining and agreeing with the Board the framework for the remuneration of the Executive Directors and other designated senior executives and, within the terms of the agreed framework, determining the total individual remuneration packages of such persons including, where appropriate, bonuses, incentive payments and share options or other share awards. The remuneration of Non-Executive Directors is a matter for the Chair and the executive members of the Board. No Director will be involved in any decision as to his or her own remuneration. The Remuneration Committee Report is set out on page 52.

Nomination Committee

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, preparing a description of the role and capabilities required by a particular appointment, and identifying and nominating candidates to fill Board positions as and when they arise. The Nomination Committee Report is set out on page 48.

Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Company places a high priority on regular communications with its various stakeholder groups and aims to ensure that all communications concerning the Company's activities are fair, balanced and understandable.

The Company's website is regularly updated with announcements and details of investor presentations and events as well as the Company's financial reports. Trading updates and press releases are issued as appropriate, and the Company's brokers provide the Board with briefings on shareholder opinion and compile independent feedback from investor meetings for review by the Board.

The Annual General Meeting is used by the Directors to communicate with both institutional and private investors. Every shareholder will have access to the full annual report at each year end and the interim report at each half year end.

Further detail on stakeholder engagement is set out in the Section 172 Statement on page 38.

NOMINATION COMMITTEE REPORT

Sean Finnan
Chair

Dear Shareholder,

I am pleased to present the Nomination Committee's report for the year ended 31 March 2022.

Committee membership

The Nomination Committee was formed on 29 March 2021, upon the Company's admission to AIM, and has therefore completed its first full year in position. The Committee comprises Sean Finnan (Chair), Michael McLaren and Hilary Wright, who are all independent Non-Executive Directors.

Main responsibilities

The full list of duties of the Remuneration Committee is set out in the terms of reference and includes the following areas:

- Oversight of the balance of skills, knowledge, experience and diversity on the Board, to enable it to identify and respond appropriately to current and future opportunities and challenges.
- Assisting in identifying and nominating candidates, the review of the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board.
- Ensuring plans are in place for orderly succession to the Board and senior management positions, including overseeing the development of a diverse pipeline for succession.
- Monitoring the development and execution of diversity and inclusion initiatives and talent development for the wider Group.

Board composition

The Board recognises the importance of a diverse Board and, as such, the Nomination Committee will always consider diversity when considering new appointments. In all cases, the Nomination Committee will consider candidates on merit and against objective criteria, and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position.

The Nomination Committee has reviewed the composition of the Board and its committees during the year and has recommended to the Board that, at this early stage, the size, structure and skills of the Board are all sufficient for the needs of the business.

The ratio of Non-Executives Directors to Executive Directors on the Board is 3:2.

Board evaluation

The Board carried out a Board evaluation during the financial year, which was internally facilitated by the Company Secretary, comprising 46 questions across the 10 principles of the Quoted Companies Alliance's Corporate Governance Code. All members of the Board participated in the Board evaluation and it produced a consistent and positive set of results in terms of both the participants' assessment of the strengths and current state of the Board, and also the priorities for further development. The feedback from the evaluation exercise was anonymised and has been very useful, with a number of actions having been taken or planned by the Nomination Committee as a result of it. Some of the core strengths identified in the evaluation include excellent communication, constructive discussion, teamwork and support in the boardroom (including committees), as well as the level of active engagement with key stakeholders, including employees and customers. A key area of focus going forward will be ensuring that the Board is able to actively participate fully in the Company's ESG programme, in order to maximise our positive net impact on the environment and society.

I envisage that we will again hold an internally facilitated Board evaluation in FY23 but will also consider the merit of an externally facilitated Board evaluation in due course.

Succession planning

The Nomination Committee also monitors the development of the Executive Management Board (EMB) to ensure that there is a diverse supply of senior executives and potential future Board members, with the appropriate skills and experience to meet both its current needs and strategic goals. During FY22, the Nomination Committee received input from the CEO and Head of HR on the composition of the EMB and the development of the Group's succession plans. This will remain an area of focus going forward as the Group builds on the foundational work carried out during the period.

Diversity and inclusion

Diversity and inclusion continue to be a priority for the Nomination Committee and the Board. The Board is committed to having a diverse and inclusive leadership team, which provides a range of perspectives and insights, and the challenge needed to support good decision making. As a global business, ActiveOps recognises the importance of reflecting the diversity of the customers we serve in the composition of our Board and senior management, while celebrating the advantages and opportunities that a diverse organisation affords. As at the date of this report the representation of women on the Board is 20%, and 33% on the EMB. The Board remains committed to continuing to drive diversity across the business, specifically through refreshing the Diversity and Inclusion Policy and ensuring that the Group's recruitment process is consistently applied with appropriate training.

COMMITTEE ACTIVITIES DURING FY22

Evaluation and annual assessment

- Oversight, with the Company Secretary, of the Board performance evaluation process and a review of the results.
- Reviewed the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.
- Reviewed the time commitments of the Non-Executive Directors.
- Recommended to the Board the re-election of each continuing director ahead of their re-election by shareholders at the Company's 2022 AGM, having considered the effectiveness, skills, knowledge, experience and time dedicated to discharging the role, and being satisfied that the directors continue to perform well and remain an important component of the Company's long-term success.
- Reviewed the interaction between the Nomination Committee and other board committees, including the ESG workstreams.

Board composition and diversity

- Full review, with the Head of HR, of the Company's diversity statistics and initiatives, as well as succession plans for the senior management team and Board.
- Documented a detailed skills matrix for the Board.
- Reviewed the composition of the Board and its committees and whether the Board required additional skills and experience.
- Considered specific steps to be taken in relation to diversity in Board and executive succession planning.
- Reviewed HR data on gender balance and diversity.

Succession planning

- Focus on succession planning arrangements at both Board and executive level, against a specification for the role and capabilities required for the position and the composition of the Board.
- Considered plans for succession for each member of the executive management team with the Head of HR and CEO.

AUDIT COMMITTEE REPORT

Michael McLaren
Non-executive Director

As Chair and on behalf of the Audit Committee, I am pleased to present our report for the financial year ending 31 March 2022.

The Committee
The Committee was formed on the admission of ActiveOps to AIM in March 2021 and comprises Michael McLaren (Chair), Hilary Wright and Sean Finnan who are all Non-Executive Directors.

Main Responsibilities
The Committee overseas the ActiveOps financial reporting process on behalf of the Board. Management has primary responsibility for the financial statements and for maintaining effective internal control over financial reporting. The Committee's role is to provide support to the Board in meeting its responsibilities as set out in the QCA code. The full list of duties of the Audit Committee is set out in the terms of reference, and includes:

- Monitoring the integrity of the financial statements, including its annual and half-yearly reports, preliminary announcements and any other formal statements relating to its financial performance.
- Overseeing the relationship with the external auditor, the external audit process and the nature and scope of the external audit, including the auditor's appointment or reappointment, effectiveness, independence and fees.
- Reviewing the effectiveness of the Group's systems for internal financial control, financial reporting and risk management.

Internal control and risk management
The Committee has primary responsibility for the oversight of the Group's internal controls, including the risk management framework. Policies and procedures, including clearly defined levels of delegated authority, are clearly communicated across the Group. Management is responsible for establishing and maintaining adequate internal controls and the Committee has responsibility for monitoring the effectiveness of these controls. It achieves this through reports received from the Company, along with those from the external auditors. Risk registers are maintained and regularly reviewed by management.

The Board, including the Audit Committee, considers the principal risks, the nature and extent of the Company's risk management framework and the risk profile that is acceptable in order to achieve the Company's strategic objectives. The Group's system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and it must be recognised that it can only provide reasonable and not absolute assurance against material misstatement or loss.

During the year the Committee has not identified any failings or weaknesses in the internal control systems or risk management processes that the Committee determined to be significant. It is the Committee's assessment that the processes applied by management to ensure that the internal controls systems are functioning as intended are providing sufficient and objective assurance. As a result, the Committee's view is that there remains no current requirement for an internal audit function.

Financial reporting
The Committee has reviewed with both management and the external auditor the annual financial statements, focusing on: the overall truth and fairness of the results and financial position, including the clarity of disclosures shown in the statements and their compliance with best-practice requirements; the appropriateness of the accounting policies and practices used in arriving at those results; the resolution of significant accounting judgements or of matters raised by the external auditor during the course of the annual statutory audit; and the quality of the Annual Report and Accounts taken as a whole, including disclosures on governance, strategy, risks and remuneration, and whether it gives a fair, balanced and understandable picture of the Group.

Going concern
The Committee reviewed management's paper on going concern. The Committee assessed and challenged the Group's forecasts and cash flow projections, including consideration of various possible outcomes of future performance and forecast capital expenditure, and the potential impact of uncertainties including the COVID-19 pandemic. The Committee also considered the Group's financing facilities and future funding plans. Based on this, the Committee is satisfied that the financial statements should be prepared on a going concern basis.

Significant matters considered in relation to the financial statements
During the year ended 31 March 2022, the Committee's prime areas of focus were:
- The integrity, completeness and consistency of financial reporting, including the adequacy, clarity and appropriateness of disclosures. This included reviewing the Annual Report and concluding that it was fair, balanced and understandable.
- The areas where significant judgements and estimates are required in the financial statements.
- The scope and programme of external audit.
- The materiality level used by the external auditor for ActiveOps as a public company.
- Confirmation that the going concern basis of accounting should continue to apply in the preparation of the annual financial statements.
- Reviewing the processes and systems to identify and mitigate the financial and non-financial risks and to consider the appropriateness of the controls to reduce the risk of fraud and exposure to bribery and corruption.
- Reviewing IAS38 Intangible Assets and the extent to which it applies to ActiveOps' Development activities. The review concluded that costs associated with the development of new features that deliver enhanced functionality could be reliably measured and were capitalised. Costs associated with the simplification of the underlying architecture of the platform could not be reliably measured and were expensed through the P&L.

External auditor
The Committee's primary responsibility is to make a recommendation on the appointment, reappointment and/or removal of the external auditor. The Committee considers a number of areas when reviewing the external auditor appointment, namely the auditor's performance in discharging the audit, the scope of the audit and terms of engagement, auditor independence and objectivity, criteria for auditor reappointment, and auditor remuneration. Every year the Committee assesses the effectiveness of the audit process and the external auditor.

In carrying out its assessment in 2022 it considered:
- Feedback from the Chief Financial Officer and his team, who monitor the external auditor's performance, behaviour and effectiveness during the exercise of its duties.
- All key external auditor plans and reports, which were discussed and challenged.
- The regular engagement with the external auditor during Committee meetings and ad-hoc meetings, including meetings without any member of management being present.
- How the auditors support the work of the Committee and how the audit contributes insights and adds value.
- The Committee Chair's discussions with the Senior Statutory Auditor ahead of each Committee meeting.
- The independence and objectivity of the external auditor.

The Committee also reviewed the proposed audit fee and terms of engagement for FY 2022. Details of the fees paid to the external auditor during the financial year can be found in note 7 on page 77. The Committee recognises that the independence of the external auditor is an essential part of the audit framework and the assurance that it provides. The external auditor confirms its independence at least annually.

ActiveOps engages a second independent accounting firm for all tax and consulting work and other non-audit services, to ensure that the independence and objectivity of the auditor is not impaired. Having completed this review, the Committee concluded that the audit process, independence and quality of the external auditor was satisfactory, and has recommended to the Board that RSM UK Audit LLP be reappointed as the Company's auditor for FY 2023. Accordingly, a resolution proposing RSM UK Audit LLP's reappointment will be tabled at the forthcoming Annual General Meeting.

REMUNERATION COMMITTEE REPORT

Hilary Wright
Non-executive Director

As Chair of the Remuneration Committee, I am pleased to present the Directors' Remuneration Report for the financial year ending 31 March 2022.

Our aim as a Remuneration Committee, through delegated responsibility, is to determine the policy for the Executive Directors remuneration and that of the senior leadership team of ActiveOps in accordance with the QCA Corporate Governance Code (QCA Code) and in the best interests of the business aligned with our strategic goals.

The Committee

The Remuneration Committee was formed on the admission of ActiveOps to AIM in March 2021 and comprises Hilary Wright (Chair), Sean Finnan and Michael McLaren, who are all independent Non-Executive Directors.

Main Responsibilities

The full list of duties of the Remuneration Committee is set out in the terms of reference and includes the following areas:

- Determining the policy and individual remuneration for Directors, including setting the remuneration for the Executive Directors, senior management and Company Secretary as well as the fees for the Non-Executive Directors.
- Ensuring that remuneration arrangements are monitored and aligned to support the Group strategy and effective risk management, as well as encourage and reward the right behaviours, values, and culture of the Group.
- Deciding each year on share incentive awards to be awarded and agreeing any performance targets to be set.

Directors' Remuneration policy

The total remuneration package is structured so that an appropriate proportion of the remuneration is linked to performance conditions, measured over both the short and long-term. Consideration is given to the balance of cash and share based elements to discourage unnecessary risk taking while making targets suitably challenging.

We are guided by the following principles:

- Remuneration should be set taking account of the various jurisdictions in which the Group operates, while complying the UK PLC norms and good practice.
- The policy should be designed to attract, retain, and motivate high calibre individuals with a weighting on performance related pay.
- Incentive plans should be robust and include metrics and targets directly relevant to ActiveOps and its strategic goals.
- Pay should be structured in such a way that it is simple to understand, both to colleagues and externally.
- Good practice features such as malus and clawback should be included.
- Share ownership should be encouraged across the executive team to ensure a long-term focus and alignment of interest with shareholders.
- Pay structures should not reward behaviour that inappropriately increases the Group's exposure to risks beyond the Group's risk appetite.

The remuneration policy was introduced in March 2021 and remains relevant to ensure remuneration incentives and rewards the growth of shareholder value through alignment with the Group's strategy and with the interests of the shareholders. We will continue to review this each year.

Committee Activities during 2022

During the financial year 2022 the Remuneration Committee has met three times with full attendance at each meeting and our deliberations included the following:

Directors' bonus payments – The approval of the bonus payments for the financial year ending March 31 2021. This was based on the targets and expectations set out pre-IPO but remained subject to the post IPO committee to approve. The details of these payments are set out in the following report.

Annual salary review of the wider workforce – Ensuring that the company can offer competitive, but not excessive, salaries to enable the recruitment and retention of the employees needed in an environment where there is a growing demand for skills.

The Committee sought feedback on the annual salary review as well as regularly reviewing the progress of the business towards its performance targets established for the financial year.

Performance targets – The discussion and agreement of performance targets for the financial year ending March 31 2022, including personal objectives for the Executive Directors aligned with the growth strategy.

Share-based schemes – In addition to the Company Share Option Scheme (CSOP) and the Performance Share Plan (PSP 2021), which provide a long-term incentive scheme, we also introduced a Buy as You Earn (BAYE) and a UK only Share Incentive Plan (SIP) to encourage employees to participate further in the ownership of ActiveOps. This was launched in all jurisdictions in which we operate except for Canada and India.

Summary – The Remuneration Committee believes that the current arrangements that are in place are in the best interest of the Group and shareholders to deliver success over the long term. The Committee will continue to monitor the appropriateness of the remuneration strategy and will make adjustments with a responsible and transparent approach. Directors' shareholdings. The interests of the Directors and their connected persons in ActiveOps ordinary shares at 31 March 2022 are as follows:

Director's Shareholdings

Name	Current Shareholding	Unvested CSOP share options	Vested but unexercised options	Unvested performance Shares
Richard Jeffery*	9,982,858	5,952	–	119,040
Paddy Deller	390,000	2,976	–	151,800
Sean Finnan	78,262	–	–	–
Michael McLaren	59,523	–	–	–
Hilary Wright	11,904	–	–	–

* Richard Jeffery's shareholding includes 157,108 shares held by Susan Jeffery

ANNUAL REPORT ON REMUNERATION

Directors' Service Agreements

Executive Directors' Service Agreements
The Remuneration Committee is responsible for approving the terms of the service contracts for Executive Directors and other senior executives. Directors' service contracts are available for inspection at the Company's registered office. Richard Jeffery and Paddy Deller have both entered into service agreements with the Company. The service agreements are terminable on 12 months' notice from either side. Other than payment of salary and benefits in lieu of notice, the Executive Directors' service agreements do not provide for benefits upon termination of employment.

Non-Executive Director Letters of Appointment
The current Non-Executive Directors' initial appointments commenced on the following dates:

Non-Executive Director	Date of appointment
Sean Finnan – Chair	1 January 2019
Hilary Wright	12 March 2021
Michael McLaren	12 March 2021

Reappointment of Non-Executive Directors is voted for at each AGM.

Hilary Wright and Michael McLaren have Letters of Appointment stating that their appointment is for an initial term of three years from the date of the appointment letter. Their letter of Appointment provides for termination of the appointment with three months' notice by either party.

Sean Finnan's letter of appointment states he is not expected to serve more than five years as Chair from the date of admission to the Alternative Investment Market. He must give three months' notice to resign. If he is not reappointed at an AGM, he receives no further compensation.

Directors' remuneration for the year ended 31 March 2022
The total emoluments paid by the group to each executive director of the company during the year ended 31 March 2022 was as follows:

Executive Director	Salary £	Bonus £	Pension £	BiK £	Total £
Richard Jeffery	200,000	48,371	12,000	1,987	262,358
Paddy Deller	170,000	31,866	10,200	2,032	214,098
	370,000	**80,237**	**22,200**	**4,019**	**476,456**

The total emoluments paid by the group to each non-executive director of the company during the year ended 31 March 2022 was as follows:

Non-Executive Director	Salary £	Bonus £	Pension £	BiK £	Total £
Sean Finnan	65,139	–	–	–	65,139
Michael McLaren	45,000	–	–	–	45,000
Hilary Wright	45,000	–	–	–	45,000
	155,139	**–**	**–**	**–**	**155,139**

The total emoluments paid by the group to each executive director of the company during the year ended 31 March 2021 was as follows:

Executive Director	Salary £	Bonus £	Commission £	Pension £	BiK £	Share option gains £	Total £
Richard Jeffery	193,322	680	–	44,878	2,113	–	240,993
Paddy Deller	163,563	42,351	–	9,814	2,715	841,300	1,059,743
Kuljit Bawa	137,378	52,933	–	8,243	–	–	198,554
	494,263	**95,964**		**62,935**	**4,828**	**841,300**	**1,499,290**

The total emoluments paid by the group to each non-executive director of the company during the year ended 31 March 2021 was as follows:

Non-Executive Director	Salary £	Bonus £	Pension £	Fees £	Share option gains £	Total £
Neil Bentley	39,530	–	2,174	–	–	41,704
Sean Finnan	52,939	–	–	–	502,510	555,449
Michael McLaren	2,423	–	–	–		2,423
Hilary Wright	2,423	–	–	–		2,423
Richard Moore	–	–	–	27,721		27,721
Paul Moroney	19,002	5,464	2,324	–		26,790
	116,317	**5,464**	**4,498**	**27,721**	**502,510**	**656,510**

Directors' share options

Options over ordinary shares in the company granted to the directors which remained outstanding at 31 March 2022 were as follows:

Director	Option type	Option price (£)	Balance as at 31 March 2021	Granted in the year	Exercised in the year	Balance as at 31 March 2022
Richard Jeffery	CSOP	1.680	5,952	–	–	5,952
	PSP	0.001	119,040	–	–	119,040
Paddy Deller	CSOP	1.680	2,976	–	–	2,976
	PSP	0.001	151,800	–	–	151,800

The CSOP and PSP share options were granted on the 29 March 2021. They each carry a vesting date of the 29 March 2024

Directors' beneficial interest in shares

Set out below are the beneficial interests of the directors in the share capital of the company.

Shares held by each Director	2022	2021
Richard Jeffery*	9,982,858	9,825,750
Paddy Deller	390,000	390,000
Sean Finnan	78,262	36,804
Michael McLaren	59,523	59,523
Hilary Wright	11,904	11,904

* Richard Jeffery's shareholding includes 157,108 shares held by Susan Jeffery

DIRECTORS' REPORT

The following information is provided in the Strategic Report and is incorporated into the Directors' Report by way of reference:

- Likely future developments in the business – this is disclosed in the CEO's statement on page 14.
- Research & development activities – this is disclosed in the CFO's report on page 28.

Directors and their interests
The following individuals served as Directors within the 2022 financial year:

- Richard J Jeffery – CEO
- Paddy Deller – CFO
- Sean Finnan – Non-Executive chair
- Hilary Wright – Non-Executive director
- Michael McLaren – Non-Executive director

Directors' interests and shareholdings are contained within the Remuneration Report on page 54.

Dividends
No dividends have been recommended by Directors or paid to shareholders in this or the previous financial year.

Auditors and their independence
In accordance with the Company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the Company and the Group will be proposed at the AGM. The Company has a policy for approval by the Audit Committee of non-audit services by the auditor to preserve independence.

Disclosure to external auditor
So far as the directors are aware there is no relevant audit information of which the Company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' indemnities
The Group maintains appropriate Directors' and Officers' insurance and has done so throughout the financial year. This remains in force as at the date of this report.

Political donations
The group has a policy of not making political contributions. No political donations have been made during the 2022 financial year (2021: nil).

Employees
The Company operates an equal opportunities policy which includes those who are classed as disabled. Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. Individuals who identify as disabled are given equal opportunities with other employees in relation to training, development and promotion.

Health, safety, the environment and the community
The Group is committed to being of benefit to the communities it serves across the globe. This is explained in our ESG Report starting on page 30.

Share capital
Details of the authorised and issued share capital of the Company and options over shares of the Company are set out in notes 20 and 21 to the financial statements.

Financial Instruments
Disclosure of the exposure of the Group to liquidity, foreign exchange, credit and interest rate risk are disclosed in notes 2, 16, 17 and 23 to the consolidated financial statements.

Going concern
ActiveOps plc maintains a positive net assets position with a significant cash balance of £13.8m as of March 2022. The Group also benefits from positive operating cashflows, ensuring that the business remains financially robust, with strong prospects for the future. The Directors recognise that world events do create risks and uncertainties. The Directors have considered appropriate measures to respond to the uncertain outlook and ensure that the Group remains a going concern for a period of at least 12 months. Whilst there can be no certainty due to the conditions across the world at present, the Directors have reviewed cash flow forecasts for the business covering a period of at least 12 months from the date of approval of these financial statements, and together with the projected revenue and available cash reserves, they are confident that sufficient funding is available to support ongoing trading activity and investment plans for the business. The financial statements have therefore been prepared on a going concern basis.

On behalf of the Board

Paddy Deller
Director and Group CFO
19 July 2022

DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare group and company financial statements for each financial year. The Directors have elected under company law and are required by the AIM Rules of the London Stock Exchange to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards and have elected under company law to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The Group financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and performance of the group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to achieving a fair representation.

Under company law the Directors must not approve these financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company, and of the profit or loss of the Group, for that period.

In preparing each of the group and company 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.
- For the Group financial statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards.
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the ActiveOps plc website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

Paddy Deller
Director and Group CFO
19 July 2022

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ACTIVEOPS PLC

Opinion
We have audited the financial statements of ActiveOps plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the consolidated statement of profit and loss and other comprehensive income, consolidated and company statements of financial position, consolidated statement of cash flows, consolidated and company statements of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation 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 2022 and of the group's loss 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.

Summary of our audit approach

Key audit matters	**Group** • Revenue recognition: cut-off • Development costs: completeness and valuation **Parent company** • None
Materiality	**Group** • Overall materiality: £274,000 (2021: £283,000) • Performance materiality: £205,000 (2021: £212,000) **Parent company** • Overall materiality: £260,000 (2021: £230,000) • Performance materiality: £195,000 (2021: £172,000)
Scope	Our audit procedures covered 88% of revenue, 90% of total assets and 93% of loss before tax.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the group financial statements of the current period 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 group financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Key audit matter description	*Refer to Note 2d – Accounting policies and Note 4 – Revenue* ActiveOps plc recognises revenue under IFRS 15 *Revenue from contracts with customers*. The group's revenues are generated from Software as a Service (SaaS) solutions and Training and Implementation (T&I). SaaS revenues are recognised evenly over the duration of the contract, whereas T&I revenues are recognised upon delivery of the service. There is a risk that the performance obligations within the contracts have not been correctly identified and/or that revenue has not been recognised as those obligations are satisfied (cut-off). Due to the effect of this matter on our overall audit strategy, the allocation of resources at the audit, and directing the efforts of the engagement team, we determined this to be a key audit matter.
How the matter was addressed in the audit	The procedures undertaken included: • For a sample of SaaS contract assets and contract liabilities, recalculating the revenue recognised (and the associated accrual/deferral) based upon the terms of the underlying contracts and invoices. • For SaaS contracts with no contract asset or contract liability recognised, verifying that the contract had been fulfilled prior to the balance sheet date. • For a sample of T&I transactions, in the identified cut-off period (January – April 2022), verifying that revenue had been recognised in the correct reporting period.

Development costs

Key audit matter description	*Refer to Note 3 – Key accounting estimates and judgements and Note 12 – Intangible assets* There is inherent judgement involved in determining whether costs meet the criteria to be defined as development costs under IAS 38 Intangible assets, given the criteria in IAS 38 Intangible assets in respect of technical feasibility, probable future benefits and the ability to identity and reliably measure relevant costs. Due to the level of judgement involved in identifying and quantifying the costs to be capitalised, we determined this to be a key audit matter.
How the matter was addressed in the audit	The procedures undertaken included: • Understanding the Group's business model and future plans. • Challenging management's assessment of the nature of costs incurred and whether these met the criteria to be capitalised in accordance with IAS 38. • Inquiring, of a sample of operational personnel, as to the nature of their activity during the year and comparing to management's assessment. • Determining whether inputs into management's estimate of costs capitalised were consistent with other information and our understanding of the business, and corroborating employee costs to payroll data. • Recalculating management's estimate. • Assessing the completeness and sufficiency of the disclosure in note 3.

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£274,000 (2021: £283,000)	£260,000 (2021: £230,000)
Basis for determining overall materiality	1.2% of revenue	2.2% of revenue
Rationale for benchmark applied	This benchmark is considered the most appropriate benchmark for the group as revenue is a key performance measure in reporting to the primary users of the financial statements, particularly at the current stage of development of the business.	This benchmark is considered the most appropriate benchmark for the company as revenue is a key performance measure in reporting to the primary users of the financial statements, particularly at the current stage of development of the business.
Performance materiality	£205,000 (2021: £212,000)	£195,000 (2021: £172,000)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £13,700 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £13,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The group consists of 9 components, located in the United Kingdom, Australia, the United States of America, the Republic of Ireland, South Africa, Canada and India.

The coverage achieved by our audit procedures was:

	Number of components	Revenue	Total assets	Loss before tax
Full scope audit	3	88%	90%	93%
Total	**3**	**88%**	**90%**	**93%**

A full scope audit was undertaken for one component, located in the United States, which was not of individual financial significance to the group. It contained material revenue, which represented a significant risk of material misstatement of the group financial statements.

Analytical procedures at group level were performed for the remaining 6 components.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- a review of the group's trading and cashflow forecasts, including challenge of key assumptions applied in forming these forecasts and assessment of the reasonableness of those key assumptions;
- sensitivity analysis of the above forecasts;
- consideration of the current cash position of the group and its recurring revenues;
- review of minutes of board meetings with a view to identifying any matters which may impact the going concern assessment and contradict the findings from the procedures above; and
- review of the group's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

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 or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 57, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- Obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks;
- Inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- Discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

The most significant laws and regulations were determined as follows:

Legislation/Regulation	Additional audit procedures performed by the group audit engagement team included:
UK-adopted IAS, FRS 101 and Companies Act 2006	• Review of the financial statement disclosures and testing to supporting documentation; • Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations	• Inspection of advice received from external tax advisors

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Revenue recognition: cut-off	• This was considered to be a Key audit matter. Therefore, the procedures performed are described in the relevant section above.
Management override of controls	• Testing the appropriateness of journal entries and other adjustments; • Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and • Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

William Farren FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Portland
25 High Street
Crawley
RH10 1BG
19 July 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

Year ended 31 March	Notes	2022 £000	2021 £000
Revenue	4	**22,917**	20,394
Cost of sales	5	**(4,397)**	(3,725)
Gross profit		**18,520**	16,669
Administrative expense excluding share option charges, depreciation, amortisation and exceptional items		**(18,959)**	(16,363)
Administrative expenses – share option charges only	6	**(563)**	(42)
Administrative expenses – depreciation and amortisation only	12-14	**(1,009)**	(1,104)
Administrative expenses – exceptional items only	8	**(539)**	(927)
Operating loss		**(2,550)**	(1,767)
Finance income	9	**3**	8
Finance expense	10	**(65)**	(289)
Loss before taxation		**(2,612)**	(2,048)
Taxation	11	**(119)**	(743)
Loss for the year from continuing activities		**(2,731)**	(2,791)
Profit for the year from discontinued activities, net of tax		**–**	11,783
(Loss)/Profit for the year		**(2,731)**	8,992
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations		**161**	113
Total comprehensive (loss)/income for the year attributable to the owners of the parent company		**(2,570)**	9,105
Basic and diluted (loss)/earnings per share			
Continuing operations		**(3.83p)**	(4.83p)
Discontinued operations		**–**	20.37p
Total		**(3.83p)**	15.54p

The earnings per share for the year ended 31 March 2021 were misstated in the Annual Report and Accounts 2021 as being a loss of (3.91p) per share from continuing operations and a profit of 16.52p per share on discontinued operations. This calculation was incorrectly based upon the year end number of shares in issue, rather than the weighted average shares in issue during the year.

The number of shares in issue at 31 March 2021 were 71,320,680. The weighted average number of shares in issue for the year ended 31 March 2021 was 57,840,821. Using the weighted average number of shares in issue for the year ended 31 March 2021 the loss from continuing operations is restated to be (4.83p) per share and the profit from discontinued operations is restated to be 20.37p per share.

The notes on pages 67 to 91 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

At 31 March	Notes	2022 £000	2021 £000
Non-current assets			
Intangible assets	12	**5,461**	5,655
Property, plant and equipment	13	**199**	241
Right-of-use assets	14	**564**	736
Deferred tax assets	19	**270**	296
Total non-current assets		**6,494**	6,928
Current assets			
Trade and other receivables	16	**3,754**	5,836
Corporation tax recoverable		**–**	54
Cash and cash equivalents		**13,753**	16,617
Total current assets		**17,507**	22,507
Total assets		**24,001**	29,435
Equity			
Share capital	20	**71**	71
Share premium account	20	**6,444**	6,430
Share option reserve	21	**566**	4
Foreign exchange reserve		**(43)**	(204)
Retained earnings		**1,480**	4,210
Total equity		**8,518**	10,511
Non-Current liabilities			
Lease liabilities	14	**501**	655
Provisions	18	**97**	89
Deferred tax liabilities	19	**1,049**	1,210
Total non-current liabilities		**1,647**	1,954
Current liabilities			
Trade and other payables	17	**13,697**	16,808
Lease liabilities	14	**139**	162
Total current liabilities		**13,836**	16,970
Total equity and liabilities		**24,001**	29,435

The financial statements on pages 63 to 91 were approved and authorised for issue by the Board of Directors on 19 July 2022 and were signed on its behalf by:

Paddy Deller
Director and Group CFO

The notes on pages 67 to 91 form part of these financial statements.

Company number 3125867

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

Year ended 31 March	Notes	2022 £000	2021 £000
(Loss)/Profit after tax		**(2,731)**	8,992
Taxation		**119**	745
Finance income		**(3)**	(8)
Finance expense		**65**	294
Operating (loss)/profit		**(2,550)**	10,023
Adjustments for:			
Depreciation of property, plant and equipment	13	**144**	203
Depreciation of right-of-use asset	14	**165**	242
Amortisation of intangible assets	12	**700**	744
Profit on sale of discontinued operations		**–**	(10,269)
Share option charge		**563**	42
Direct costs incurred on sale of subsidiary		**–**	(469)
Profit on disposal of non-current assets		**–**	(3)
Change in trade and other receivables		**2,082**	(97)
Change in trade and other payables		**(3,111)**	4,342
Cash (used in)/from operations		**(2,007)**	4,758
Interest paid		**(65)**	(294)
Taxation paid		**(184)**	(253)
Net cash (outflow)/generated from operating activities		**(2,256)**	4,211
Investing activities			
Purchase of property, plant and equipment	13	**(96)**	(68)
Development of software	12	**(364)**	(30)
Interest received	9	**3**	8
Sale of subsidiary (net of cash included in disposal)		**–**	14,654
Net cash generated (used in)/from investing activities		**(457)**	14,564
Financing activities			
Proceeds from issue of shares	20, 21	**(14)**	1,727
Repayment of related party loans		**–**	(999)
Repayment of lease liabilities		**(184)**	(250)
Proceeds/(repayment) of bank borrowings		**–**	(6,340)
Net cash used in financing activities		**(198)**	(5,862)
Net change in cash and cash equivalents		**(2,911)**	12,913
Cash and cash equivalents at beginning of the year		**16,617**	4,093
Effect of foreign exchange on cash and cash equivalents		**47**	(389)
Cash and cash equivalents at end of the year		**13,753**	16,617

The notes on pages 67 to 91 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

Year ended 31 March	Share capital £000	Share premium £000	Share option reserve £000	Foreign exchange reserve £000	Retained earnings £000	Total £000
At 1 April 2020	19	4,755	221	(317)	(5,041)	(363)
Profit for the year	–	–	–	–	8,992	8,992
Exchange differences on translating foreign operations	–	–	–	113	–	113
Total comprehensive loss for the year	–	–	–	113	8,992	9,105
Transactions with owners, recorded directly in equity						
Reserve transfer on exercising of share options	–	–	(259)	–	259	–
Share based payment charge	–	–	42	–	–	42
Bonus issue of shares	39	(39)	–	–	–	–
Issue of shares	13	1,714	–	–	–	1,727
Total transactions with owners	52	1,675	(217)	–	259	1,769
At 31 March 2021	71	6,430	4	(204)	4,210	10,511

Year ended 31 March	**Share capital £000**	**Share premium £000**	**Share option reserve £000**	**Foreign exchange reserve £000**	**Retained earnings £000**	**Total £000**
At 1 April 2021	**71**	**6,430**	**4**	**(204)**	**4,210**	**10,511**
Loss for the year	**–**	**–**	**–**	**–**	**(2,731)**	**(2,731)**
Exchange differences on translating foreign operations	**–**	**–**	**–**	**161**	**–**	**161**
Total comprehensive profit for the year	**–**	**–**	**–**	**161**	**(2,731)**	**(2,570)**
Transactions with owners, recorded directly in equity						
Reserve transfer on exercising of share options	**–**	**–**	**(1)**	**–**	**1**	**–**
Share based payment charge	**–**	**–**	**563**	**–**	**–**	**563**
Issue of shares	**–**	**14**	**–**	**–**	**–**	**14**
Total transactions with owners	**–**	**14**	**562**	**–**	**1**	**577**
At 31 March 2022	**71**	**6,444**	**566**	**(43)**	**1,480**	**8,518**

The notes on pages 67 to 91 form part of these financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. General information
ActiveOps plc (the 'Company') is a public company limited by shares incorporated in England and Wales. The registered office and principal place of business is One Valpy, 20 Valpy Street, Reading, Berkshire, RG1 1AR. On the 17 March 2021 the company became a public limited company, having formerly been known as ActiveOps Ltd.

The Company, together with its subsidiary undertakings (the 'Group') is principally engaged in the provision of hosted operations management Software as a Service ('SaaS') solutions to industry leading companies around the world.

2. Accounting policies
a) Basis of preparation
The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements of the Group have been prepared on a going concern basis and in accordance with UK-adopted International Accounting Standards.

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

b) Going Concern
The Directors have a reasonable expectation that there are no material uncertainties that cast significant doubt about the Group's ability to continue in operation and meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements.

Whilst there can be no certainty due to the conditions across the world at present, the Directors have reviewed cash flow forecasts for the business covering a period of at least 12 months from the date of approval of the financial statements, and together with the projected revenue and available cash reserves, they are confident that sufficient funding is available to support ongoing trading activity and investment plans for the business. The financial statements have therefore been prepared on a going concern basis.

c) New accounting standards and interpretations not yet mandatory or early adopted
Accounting Standards that have recently been issued or amended but are not yet mandatory have not been early adopted by the Group for the annual reporting period ended 31 March 2022. The Group has not yet assessed the impact of these new or amended accounting standards and interpretations.

d) Revenue
The Group sells SaaS solutions and Training & Implementation ('T&I').

SaaS solutions are sold as both a cloud IT environment or as an on-premise solution which can be hosted within a customer's server. Alongside the software, the Group provides ongoing management services contracts which involves ongoing support of the software. This support is typically achieved by accessing the software to ensure it is operating efficiently and to make changes as requested by the customer. The licence and associated management services contract are considered to be a single performance obligation, because although the customer obtains possession of the software they are unable to benefit from the software solution without the associated management services.

T&I relates to implementation of the SaaS solution and training in the Group's methodology on how to use the solution to the best effect. This is typically delivered at the start of a new customer relationship, or when a customer expands the use of the Group's software into other parts of their business. Ad-hoc training is also provided to existing customers. T&I is a single performance obligation.

SaaS performance obligations are provided under fixed-price contracts, which is mainly contracted as a fixed price for a period of time for up to a contractual number of users, but also can be achieved via a price per user, where the number of actual users is determined in arrears. SaaS contracts are typically for a period of one year. Where the number of users is determined in arrears, a best estimate of the expected revenue is accrued each month based upon recent usage.

SaaS solutions, both hosted and on-premise, are recognised on a straight-line basis over the length of the contract during which the customer has daily access to these services.

2. Accounting policies continued

d) Revenue continued

T&I services are recognised over time based upon the delivery of the service. Variable and contingent consideration exists in T&I revenues for some customers typically dependent on the customer achieving a level of efficiency due to the purchase of the Group's software and methods. Management agrees with the customer the expected amount of productivity gain and the associated contingent revenue with the customer at the outset of the contract, based upon an initial health check of the customers operations. Management considers the likelihood of the efficiency being achieved given what is discovered in the initial health check and past performance of the Group's products with other customers, and if the gain is considered to be probable the variable revenue is recognised alongside the non-variable T&I revenue. If the gain is not initially thought to be probable, then the revenue is only recognised once the efficiency improvements demonstrate that the targets are likely to be achieved. At present this isn't a significant judgement as it applies to a relatively small amount of revenues and the efficiency targets have historically been achieved.

Revenue has been allocated between performance obligations using stand-alone selling prices. Most sales are only for one performance obligation, as customers who remain with the Group over many years do not usually require additional T&I. Equally T&I is sold at daily rates that are comparable to third party training providers who run management courses or similar for organisations that are comparable to the broad customer base of the Group. Any non-trivial variation from the total cost of a sale of both performance obligations when compared to standalone prices and external providers prices are applied on a pro rata basis to the agreed sales price with the customer to determine the split between the two performance obligations.

The IFRS 15 practical expedient that an entity need not adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less has been applied. That an entity may recognise the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity otherwise would have recognised is one year or less has also been applied.

No financing cost has been considered to be part of the revenue due to the duration of the performance obligations lasting for one year or less. Warranty fixes are provided as required within the agreed services of the SaaS solutions performance obligations. These are assurance-type warranties (i.e. a product guarantee) and so are not separate performance obligations.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. Contract assets and liabilities are recognised within 'prepayments and accrued income' and 'accruals and deferred income' respectively.

e) Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls a subsidiary when it is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. In assessing control the Group takes into consideration potential voting rights. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-Group balances and transactions, and any unrealised income and expenses arising from intra-Group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

f) Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve or non-controlling interest, as the case may be. When a foreign operation is disposed of, such that control, joint control or significant influence (as the case may be) is lost, the entire accumulated amount in the translation reserve, net of amounts previously attributed to non-controlling interests, is recycled to the Statement of Comprehensive Income as part of the gain or loss on disposal.

g) Classification of instruments issued by the Group

Instruments issued by the Group are treated as equity (i.e., forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- They include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- Where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the items are classified as a financial liability.

Finance payments associated with financial liabilities are dealt with as part of finance expenses. Finance payments associated with financial instruments that are classified in equity are dividends and are recorded directly in equity.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy.

h) Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

a. Financial Assets

Classification and initial measurement of financial assets:

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- Amortised cost.
- Fair value through profit or loss ('FVTPL').
- Fair value through other comprehensive income ('FVOCI').

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

2. Accounting policies continued

h) Financial instruments continued

Trade and other receivables

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

The Group does not have a history of material credit losses on its trade receivables and no change to this is expected when considering forward looking information.

b. Financial Liabilities

Classification and measurement of financial liabilities:

The Group's financial liabilities include trade payables and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

i) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to administrative expenses in the Statement of Comprehensive Income. The principal annual rates used for this purpose are:

- Leasehold improvements – straight line over 3 years.
- Plant and machinery – straight line over 3 years.
- Furniture, fittings and equipment – straight line over 5 years.
- Right-of-use assets – straight line over the earlier of useful life of the right-of-use asset or the lease term.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

j) Leases

The Group has applied IFRS 16 throughout the financial statements. At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a Right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore the underlying asset, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities. Depreciation is charged to administrative expenses in the Statement of Comprehensive Income.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise:
- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset or is recorded in profit or loss if the carrying value of the ROU asset has been reduced to zero.

The Group presents ROU assets and lease liabilities separately from property, plant and equipment.

Short term leases and low value assets

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. There are several property leases in the Group on a one-month rolling contract. These are treated as short-life assets and are recognised on a straight-line basis.

k) Intangible assets and goodwill

Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units ('CGU') and is not amortised but is tested annually for impairment.

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the Statement of Comprehensive Income as an expense as incurred.

Other intangible assets that are acquired by the group are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is charged to the administrative expenses in the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. The Group has no assets with indefinite lives, other than Goodwill, throughout the reporting periods.

Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:
- Customer relationships – 10 years straight line.
- Purchased software – 3 years straight line.
- Intellectual property rights acquired on acquisition – 3 years straight line.
- Development costs – 5 years straight line.

The estimated useful lives are estimated based upon management's best estimate of the expected life of the asset. Useful lives are reconsidered if circumstances relating to the asset change or if there is an indication that the initial estimate requires revision.

l) Impairment

Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Statement of Comprehensive Income.

2. Accounting policies continued

l) Impairment continued

Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Non-financial assets

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

m) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

Short term employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are rendered.

Termination benefits

Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

n) Share based payments

Employees of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments, known as equity settled transactions.

The Group records compensation expense for all share-based compensation awards based on the grant date fair value, as adjusted for estimated forfeitures over the requisite service period of the award. The fair value determined on the grant date is expensed on a straight-line basis over the term of the grant. A corresponding adjustment is made to equity.

Modifications and cancellations

When the terms and conditions of equity settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms is determined. Any excess of the modified fair value is recognised over the remaining vesting period in addition to the original grant date fair value. The share-based payment is not adjusted if the modified fair value is less than the original grant date fair value.

Cancellations or settlements, including those resulting from employee redundancies, are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

Valuation and Amortisation Method

The Company estimates the fair value of stock options granted using the Black-Scholes option pricing formula or a Monte Carlo simulation.

Provision is made for National Insurance Contributions (NICs) on outstanding share options that are expected to be settled based upon the latest enacted NIC rates.

o) Cash and cash equivalents
Cash and cash equivalents comprise cash in hand and deposits held at call with banks.

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

q) Net financing costs
Financing expenses comprise interest payable and finance charges on finance leases recognised in the Statement of Comprehensive Income using the effective interest method. Financing income comprise bank interest receivable.
Interest income and interest payable is recognised in the Statement of Comprehensive Income as it accrues, using the effective interest method.

r) Segmental reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ('CODM'). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of ActiveOps plc.

The Group will provide information to the CODM on the basis of products and services, being SaaS and T&I services. The CODM receives information for these two segments down to gross margin level.

s) Taxation
Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

t) Reserves
Share capital
Share capital represents the nominal value of shares that have been issued.

Share premium account
Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Profit or loss reserves
Retained earnings includes all current and prior period retained profits and losses.

Share option reserve
The share option reserve is used to recognise the grant date fair value of options issued to employees but not exercised.

Foreign exchange reserve
The foreign exchange reserve includes all cumulative translation differences on conversion of the Group's foreign operations from their functional currencies to its presentation currency of sterling.

3. Key accounting estimates and judgements

The preparation of the financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement and use assumptions in applying the Group's accounting policies. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. Management believe that the estimates utilised in preparing the financial statements are reasonable and prudent.

The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are discussed below.

Capitalisation of Development costs

The Group invests on a continual basis in the development of software for sale to third parties. There is a continual process of enhancements to and expansion of the software with judgement required in assessing whether the development costs meet the criteria for capitalisation.

In making this judgement, the Group evaluates, amongst other factors, whether there are future economic benefits beyond the current period and management's ability to measure reliably the expenditure attributable to the project. Judgement is therefore required in determining the practice for capitalising development costs.

During the year the group has capitalised development costs of £0.4m associated with the delivery of new features to the ControliQ platform that are expected to further enhance the proposition for the customer and drive future economic benefit. The amount capitalised has been based on estimates of the time spent by individual developers on these new features. The costs are amortised using the straight-line method from the launch of the product over the expected life cycle of the enhancements which is expected to be five years. In line with prior years the group has not capitalised costs of £1.0m associated with the ongoing maintenance of ControliQ and completion of the ControliQ platform rewrite. Where the rewrite has delivered an improvement in the underlying architecture of the code base which is therefore expected to make it easier to work with in the future and consequently some economic benefit, it has not been possible to separately identify the amount of time and cost involved in simplifying the underlying architecture due to both of these elements being intertwined in the code.

4. Revenue

The Group derives all its revenue from the transfer of goods and services over time.

A disaggregated geographical split of revenue between operating segment is shown below between Europe, the Middle East, India and Africa ('EMEIA'), North America and Australia. Europe, the Middle East, India and Africa (EMEIA) are aggregated together as they operate and are managed as one business. All revenue streams are recognised over time.

Year ended 31 March 2022	**SaaS £000**	**T&I £000**	**Total £000**
EMEIA	**10,155**	**2,297**	**12,452**
North America	**5,147**	**288**	**5,435**
Australia	**4,262**	**768**	**5,030**
	19,564	**3,353**	**22,917**

Year ended 31 March 2021	SaaS £000	T&I £000	Total £000
EMEIA	9,295	1,671	10,966
North America	4,283	498	4,781
Australia	4,216	431	4,647
	17,794	2,600	20,394

SaaS contracts delivered over time are invoiced in advance and incomplete performance obligations at the year-end are recorded in deferred income in the statement of financial position. T&I revenues are invoiced once the T&I is completed or earlier if contractually allowed with contract assets or contract liabilities recognised in accordance with performance obligations satisfied. The Group has recognised the following assets and liabilities related to contracts with customers.

At 31 March	**2022 £000**	2021 £000
Contract assets	**466**	825
Contract liabilities	**(8,269)**	(8,423)

Due to the nature of the customer contracts, being annual service-related fees that are performed over time, there is always an element of the contractual performance obligation that has not been delivered at the year end. As performance obligations delivered over time are invoiced in advance the aggregate amount of the transaction price allocated to the performance obligations unsatisfied, or partially unsatisfied, at the end of each reporting period equates to the contract liabilities.

The outstanding performance obligations at the year-end are expected to be satisfied within 12 months of the reporting date.

The following table shows revenue recognised in the current reporting period relating to brought forward contract liabilities.

For the year ended 31 March	**2022 £000**	2021 £000
Revenue recognised that was included in the contract liability balance at the beginning of the period	**8,334**	7,854

5. Segmental analysis

The Group has two reporting segments, being SaaS and T&I. The Group focuses its internal management reporting predominantly on revenue and cost of sales. No non-GAAP reporting measures are monitored. Total assets and liabilities are not provided to the CODM in the Group's internal management reporting by segment and therefore a split has not been presented below. Information about geographical revenue by segment is disclosed in note 4.

No individual customer accounted for 10% or more of turnover during the reporting period.

Year ended 31 March 2022	**SaaS £000**	**T&I £000**	**Total £000**
Revenue	**19,564**	**3,353**	**22,917**
Cost of sales	**(2,974)**	**(1,423)**	**(4,397)**
	16,590	**1,930**	**18,520**

Year ended 31 March 2021	SaaS £000	T&I £000	Total £000
Revenue	17,794	2,600	20,394
Cost of sales	(2,364)	(1,361)	(3,725)
	15,430	1,239	16,669

6. Employees and directors

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

Number of employees	**2022 Number**	2021 Number
Sales and marketing	**33**	24
Information technology and product	**78**	57
Client services	**49**	51
Management and other	**26**	28
	186	160

'Management and other' includes three Non-Executive Directors.

Their aggregate remuneration comprised:

For the year ended 31 March	**2022 £000**	2021 £000
Wages and salaries	**13,796**	12,136
Social security costs	**1,224**	1,049
Pensions costs	**562**	450
Share option charges	**563**	42
	16,145	13,677

A summary of Directors remuneration is shown below:

For the year ended 31 March	**2022 £000**	2021 £000
Remuneration for qualifying service	**609**	717
Company paid pension contribution	**22**	67
Sums paid to third parties for Director's services		28
	631	812

The amount of the share option charge relating to key management personnel has not been calculated or disclosed due to its relative low value. Key management personnel do participate in the share schemes operated by the Group.

Remuneration disclosed above includes the following amounts payable to the highest paid Director:

For the year ended 31 March	**2022 £000**	2021 £000
Remuneration for qualifying service	**250**	196
Company paid pension contribution	**12**	45
	262	241

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The total amount of employee benefits received by key management personnel for their services to the Group during the year amounted to £2,245k (2021: £2,112k) and the Group incurred employer's taxes payable on those salaries of a further £208k (2021: £214k) in relation to the employment of these same members of staff.

7. Loss for the year

For the year ended 31 March	2022 £000	2021 £000
Operating loss is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's annual accounts	**103**	98
Fees payable to the company's auditor for other services		
Audit of subsidiaries	**58**	51
Audit related assurance services	**35**	237
Tax services	**1**	15
Depreciation of right-of-use assets (note 14)	**165**	242
Amortisation of intangible assets (note 12)	**700**	659
Depreciation of property, plant and equipment (note 13)	**144**	203
Foreign exchange (gain) or loss	**(276)**	553
Loss on disposal of non-current assets	**–**	(3)

8. Exceptional items

For the year ended 31 March	2022 £000	2021 £000
Costs associated with M&A aborted activity	**539**	–
Costs associated with listing on the London Stock Exchange	**–**	927

The above costs are fees paid to various external advisors. No internal costs have been included.

9. Finance income

Interest receivable consists of:

For the year ended 31 March	2022 £000	2021 £000
Bank interest receivable	**3**	8

10. Financing costs

Finance costs consists of:

For the year ended 31 March	2022 £000	2021 £000
Lease interest – lease liabilities (note 14)	**45**	59
Related party loan interest payable	**–**	31
Bank loan interest	**–**	199
Other financing costs	**20**	–
	65	289

11. Taxation

For the year ended 31 March	**2022 £000**	2021 £000
Current income tax		
Foreign current tax on profit for the current period	**214**	211
Foreign current tax on profit for the prior period	**28**	105
Deferred tax		
Origination and reversal of timing differences	**(128)**	473
Adjustments in respect of prior periods	**–**	(53)
Effect of decrease tax rate on opening deferred tax position	**5**	7
Total tax charge	**119**	743

For the year ended 31 March	**2022 £000**	2021 £000
Loss before tax	**(2,612)**	(2,048)
Tax at domestic rate of 19% (2020: 19%)	**(496)**	(389)
Effect of:		
Expenses that are not deductible in determining taxable profit	**(19)**	245
Income not subject to taxation	**–**	(7)
Differences in current and deferred tax rates	**5**	7
Exercising of share options and movement in share option provisions	**–**	(2,073)
Deferred tax not recognised	**494**	2,833
Withholding taxes	**4**	54
Adjustments in respect of prior periods	**27**	52
Effect of other tax rates	**104**	21
Total tax charge/(credit)	**119**	743

At 31 March 2022 the Company and its Group had tax losses of approximately £19.2m (2021: £18.4m) to carry forward to offset against future taxable profits.

12. Intangible assets

	Goodwill £000	Customer relationships £000	Purchased software £000	Intellectual property rights £000	Capitalisation of development costs £000	Total £000
Cost						
At 1 April 2020	2,269	10,929	870	125	–	14,193
Foreign exchange	(113)	(431)	(55)	–	–	(599)
Additions	–	–	30	–	–	30
Disposals	(1,028)	(4,288)	–	–	–	(5,316)
At 31 March 2021	**1,128**	**6,210**	**845**	**125**	**–**	**8,308**
Foreign exchange	**26**	**79**	**22**	**–**	**–**	**127**
Additions	**–**	**–**	**–**	**–**	**364**	**364**
At 31 March 2022	**1,154**	**6,289**	**867**	**125**	**364**	**8,799**
Amortisation						
At 1 April 2020	–	1,820	369	125	–	2,314
Foreign exchange	–	(30)	(4)	–	–	(34)
Charge for the year	–	693	51	–	–	744
Disposals	–	(371)	–	–	–	(371)
At 31 March 2021	**–**	**2,112**	**416**	**125**	**–**	**2,653**
Foreign exchange	**–**	**7**	**(22)**	**–**	**–**	**(15)**
Charge for the year	**–**	**614**	**86**	**–**	**–**	**700**
At 31 March 2022	**–**	**2,733**	**480**	**125**	**–**	**3,338**
Net book value						
At 31 March 2022	**1,154**	**3,556**	**387**	**–**	**364**	**5,461**
At 31 March 2021	1,128	4,098	429	–	–	5,655

All amortisation and impairment charges are included within depreciation and amortisation in the Statement of Comprehensive Income.

Customer relationships consists of two individual assets: the acquired relationships from the purchase of OpenConnect on the 1 August 2019, which has a netbook value of £1.5m and is being amortised until 31 July 2029; and the acquired relationships from the purchase of ActiveOps Pty Ltd and Active Operations Management Australia on the 1 April 2017, which has a netbook value of £2.1m and is being amortised until 31 March 2027.

The carrying amount of goodwill relates to two cash generating units and reflects the difference between the fair value of consideration transferred and the fair value of assets and liabilities purchased.

Goodwill has been allocated for impairment testing purposes to the following cash generating units. The carrying values are as follows:

At 31 March	**2022 £000**	2021 £000
Australia	**577**	577
United States of America	**577**	551
	1,154	1,128

The Australian goodwill relates to the purchase of ActiveOps Pty Limited and Active Operations Management Australia Pty Ltd on the 1 April 2017.

The United States of America goodwill relates to the purchase of OpenConnect on the 1 August 2019. The residual amount relates to the amount retained in ActiveOps USA Inc. on disposal of OpenConnect on 19 October 2020.

The Group tests whether goodwill has suffered any impairment on an annual basis, or more frequently where evidence of impairment indicators exist, by comparing the value of the CGUs with their value in use. Value in use is estimated based on expected future cashflows discounted to present value using a post-tax discount rate that reflects current market assumptions of the time value of money. An impairment charge arises where the carrying value exceeds the value in use.

12. Intangible assets continued
The inputs into the expected cashflows are based on the most recent forecasts approved and reviewed by the Directors for the next three years based on expected growth within those CGU's over that period.

The key inputs into the cashflow forecast are:
- Revenue growth, based upon managements expected growth in the Group's products. These are determined by understanding the needs of current customers and expected number of license sales pipeline to determine expected future sales volumes. These sales volumes are coupled with the current pricing to determine the forecast revenues. Considerations are also made for customer churn which is based upon current churn rates. T&I revenues are derived from forecast additional SaaS sales using historical customer behaviours as a basis.
- Cost of sales and any other direct costs based upon expected revenues.
- Expected movements in the overhead costs of the business given the need to indirectly service growth in revenue.
- Future capital expenditure and other changes to working capital as required to facilitate the forecast revenue growth.

In determining the potential for impairment of the intangible assets the Group has discounted the cashflows using the three year plan at 12.3% for the Australian CGU and 12.0% for the United States of America CGU. Management have not identified any reasonably possible changes in any key assumption that would lead to the need for impairment of either CGU.

The aggregate amount recognised in the Statement of Profit or Loss for Research and Development during the year was £2,749k.

13. Property, plant and equipment

	Leasehold improvements £000	Plant and machinery £000	Fixtures, fittings and equipment £000	Total £000
Cost				
At 1 April 2020	289	268	603	1,160
Foreign exchange	(19)	44	3	28
Additions	–	65	3	68
Disposals	(71)	(24)	(58)	(153)
At 31 March 2021	**199**	**353**	**551**	**1,103**
Foreign exchange	**(28)**	**(25)**	**(101)**	**(154)**
Additions	**–**	**82**	**14**	**96**
At 31 March 2022	**171**	**410**	**464**	**1,045**
Accumulated depreciation				
At 1 April 2020	209	185	378	772
Foreign exchange	5	10	18	33
Provided during the period	50	76	77	203
Disposals	(71)	(21)	(54)	(146)
At 31 March 2021	**193**	**250**	**419**	**862**
Foreign exchange	**(28)**	**(31)**	**(101)**	**(160)**
Provided during the period	**6**	**81**	**57**	**144**
At 31 March 2022	**171**	**300**	**375**	**846**
Carrying amount				
At 31 March 2022	**–**	**110**	**89**	**199**
At 31 March 2021	6	103	132	241

All depreciation and impairment charges are included within depreciation and amortisation in the Statement of Comprehensive Income.

14. Right-of-use assets

	Buildings £000
Net book value	
At 1 April 2020	932
Foreign exchange	5
Additions	128
Disposals	(87)
Depreciation charge for the year	(242)
At 31 March 2021	**736**
Foreign exchange	**(7)**
Depreciation charge for the year	**(165)**
At 31 March 2022	**564**

The Right-of-use asset relates to the property leases for operating premises across the group.

Amounts recognised in the Statement of Financial Position.

At 31 March	**2022 £000**	2021 £000
Lease liabilities		
Current	**139**	162
Non-current	**501**	655
	640	817

Amounts recognised in the Statement of Profit or Loss.

For the year ended 31 March	**2022 £000**	2021 £000
Interest expense	**45**	59
Expense for short term leased properties	**95**	29
Depreciation of Right-of-use assets	**165**	242

Amounts recognised in the Statement of Cashflows.

For the year ended 31 March	**2022 £000**	2021 £000
Total cash outflows	**324**	338

The comparative cash flows figure has been amended to include the interest expense.

15. Subsidiaries

ActiveOps plc owned the following subsidiaries throughout the years ended 31 March 2022 and 31 March 2021.

Name of undertaking	Registered office	Nature of business	Class of shareholding	Percentage held controlled or otherwise	
				Direct	Indirect
ActiveOps Overseas Limited	One Valpy, 20 Valpy Street, Reading, Berkshire, RG1 1AR, UK	Holding company	Ordinary	100	–
Red Owl Technology Limited	Roselawn House, National Technology Park, Plassey, Limerick, Ireland	Management Solutions	Ordinary	100	–
ActiveOps USA Inc.	c/o National Registered Agents Inc, 160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Management Solutions	Ordinary	100	–
ActiveOps Canada Inc.	Suite 2300, Bentall 5, 550 Burrard Street, Vancouver, BC V6C 2B5, Canada	Management Solutions	Ordinary	100	–
ActiveOps Pty Limited	231 Kensington Road, Kensington, South Australia, 5068, Australia	Management Solutions	Ordinary	100	–
ActiveOps Africa (PTY) Limited	8a Keyes Avenue, Johannesburg, 2196, South Africa	Management Solutions	Ordinary	–	100
Active Operations Management India Private Limited	CoWrks, Purva Premiere, Residency Road, Ashok Nagar, Bangalore 560 025, Karnataka, India	Management Solutions	Ordinary	–	100
Active Operations Management Australia Pty Ltd	231 Kensington Road, Kensington, South Australia, 5068, Australia	Management Solutions	Ordinary	–	100

16. Trade and other receivables

At 31 March	**2022 £000**	2021 £000
Trade receivables	**2,723**	3,167
Prepayments and accrued income	**953**	1,046
Other receivables	**78**	1,623
	3,754	5,836

The Directors consider the carrying value of trade and other receivables to be approximately equal to their fair value.

At 31 March	**2022 £000**	2021 £000
Trade receivables from contracts with customers	**2,770**	3,194
Less loss allowance	**(47)**	(27)
	2,723	3,167

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional. The group holds the trade receivables with the objective of collecting the contractual cash flows, and so it measures them subsequently at amortised cost using the effective interest method. Details about the group's impairment policies and the calculation of the loss allowance are provided in note 2.

Information about the impairment of trade receivables and the group's exposure to credit risk and foreign currency risk can be found in note 22.

17. Trade and other payables

At 31 March	2022 £000	2021 £000
Trade payables	**1,326**	689
Other taxation and social security	**815**	4,524
Other payables	**3**	101
Accruals and deferred income	**11,553**	11,494
	13,697	16,808

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Included in the prior year other taxation and social security is £3,498k of taxes payable on the share options that exercised as part of the listing of the Company on 29 March 2021. According to the terms of the share options, all option holders had an obligation to reimburse the Group for any taxes that became payable on their options. These proceeds were recovered from the cash generated from the shares being issued and sold into the market. The taxes were paid to the relevant tax authorities in April 2022.

18. Provisions

At 31 March	2022 £000	2021 £000
Provisions brought forward	**89**	50
Increase in the year	**8**	39
Provisions carried forward	**97**	89

ActiveOps plc is required to restore its leased premises to their original condition at the end of the respective lease terms (expiring March 2027). A provision of £50k has been recognised for the estimated expenditure required to remove any leasehold improvements.

ActiveOps in India has an obligation to pay a one-off pension contribution to its employees when they cease to be employed. This has been estimated as being worth £47k given the current employees' salaries and length of service.

19. Deferred tax

At 31 March	2022 £000	2021 £000
Deferred tax assets	**270**	296
Deferred tax liabilities	**(1,049)**	(1,210)
	(779)	(914)

The elements of the deferred taxation are as follows:

At 31 March	2022 £000	2021 £000
Tax losses carried forward	**–**	66
Other short term timing differences	**270**	230
Intangible assets	**(1,049)**	(1,210)
	(779)	(914)

The movement on deferred taxation is as follows:

At 31 March	2022 £000	2021 £000
At 1 April	**(914)**	(475)
Recognised in the year	**123**	(427)
Foreign exchange	**12**	(12)
	(779)	(914)

The deferred tax assets include an amount of £nil (2021: £66k) which relates to carried-forward tax losses of the Group.

19. Deferred tax continued

At 31 March 2022 the Company and its Group had tax losses of £19.2m (2021: £18.4m) to carry forward to offset against future taxable profits. This has not been recognised as a deferred tax asset.

On 3 March 2021, the UK Government announced a proposal to increase the rate of UK corporation tax from 19% to 25% with effect from 1 April 2023. Changes in tax laws and rates may affect recorded deferred tax assets and liabilities and our effective tax rate in the future. Management expect that, in line with the rate increase proposed, there will be an increase to the effective tax rate for periods from year ended March 2024 onwards. In addition, management expect any related change to the carrying values of the deferred tax assets and liabilities to not be significant primarily due to an expectation that the majority of the deferred tax items will have reversed prior to this date.

20. Share capital and share premium

	A Ordinary Shares		Ordinary Shares		
	Number	Share capital £000	Number	Share capital £000	Share premium £000
At 1 April 2020	613,282	6	1,310,724	13	4,755
Issue of shares under options schemes prior to the bonus issue (£0.01 ordinary shares)	–	–	45,442	1	71
Bonus issue of shares	1,226,564	12	2,712,332	27	(39)
Share split	16,558,614	–	36,616,482	–	–
Issued under share option schemes after the bonus issue (£0.001 ordinary shares)	–	–	12,237,240	12	1,643
Share reorganisation	(18,398,460)	(18)	18,398,460	18	–
At 31 March 2021	**–**	**–**	**71,320,680**	**71**	**6,430**
Issued under share option schemes	**–**	**–**	**43,500**	**–**	**14**
At 31 March 2022	**–**	**–**	**71,364,180**	**71**	**6,444**

The earnings per share calculation is determined by dividing the profit by the weighted average number of shares. The calculation of the earnings per share is explained below:

At 31 March	**2022 £000**	2021 £000
Profit for the period		
Continuing operations		
Loss for the year from continuing activities	**(2,731)**	(2,791)
Discontinued operations		
Profit for the year from discontinued activities	**–**	11,783

At 31 March	**2022 Number**	2021 Number
Basic earnings number of shares		
Weighted average number of shares in issue during the year	**71,349,521**	57,840,821
Diluted earnings number of shares		
Number of issues options at 31 March (see note 21)	**1,714,385**	1,757,885
Number of shares and share options for diluted earnings per share calculation	**73,063,906**	59,598,706

Due to the Group making a loss on its continuing business, the Group has shown its diluted continuing earnings per share at the same value as its basic continuing earnings per share. Consequentially the effects of anti-dilutive on ordinary shares have not been considered within the calculation of the diluted earnings per share.

21. Share options and share awards
The Group has incurred costs of £563k (2021: £42k) in relation to share-based payment charges to the share option reserve.

The Group had five equity settled share-based payment schemes in the year:

Unapproved share option scheme
This plan had also been running for several years, and was open to overseas employees, consultants working in the UK and Non-Executive Directors. Most staff in this scheme chose to exercise their option when the company listed, all options have now vested. There are no employees remaining in this scheme (2021: 4 employees) with options (2021: 43,500).

Company Share Option Plan ('CSOP')
This scheme was put in place at the Company's listing. It is overseen by the Remuneration Committee of the Board. The CSOP has been designed so as to be capable of being certified as a Schedule 4 CSOP (as described in Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003).

This scheme has been made available to all employees and executive Directors of the group.

All options vest after three years. The only vesting condition is that the option holder must remain in employment of the group for the full three years.

For employees in some countries, they have been only offered a phantom scheme that pays cash at the end of term. This has been done to maximise the benefit to the employee in countries where the taxation of share options would significantly erode the benefit received by the employee.

The option price is £1.68 per share. The number of share options issued in the year under this scheme is nil (2021: 299,705). This total includes 46,724 phantom share options.

Performance Share Option Plan ('PSOP')
This is a scheme put in place at the Company's listing and is the long-term incentive plan for senior management across the group. It is overseen by the Remuneration Committee of the Board. This scheme is only open to senior management and the vesting of the options is dependent on a combination of the Group's results and share price performance.

Options will vest after a period of three years, subject to the achievement of targets in the following areas:
- Annual recurring revenue.
- Total reported revenue.
- EBITDA.
- Total shareholder return.

Options do not vest if minimum performance levels are not achieved.

Employees in some countries they have been offered a phantom scheme that pays cash at the end of term. This has been done to maximise the benefit to the employee in countries where the taxation of share options would significantly erode the benefit received by the employee.

The option price is £0.001 per share. The number of share options issued in 2021 under this scheme was 1,414,680. This total includes 5,190 phantom share options.

Global Share Participation Plan ('GSPP')
This is a new scheme which was put into place in March 2022. The plan is overseen by the Remuneration Committee of the Board. It offers employees an opportunity to directly participate in the long-term success of the Group by purchasing shares (up to a maximum of £6,000 per year of the plan cycle), through the GSPP. The Group provides a matching share for every share purchased by employees which will be awarded to the colleague on the three year anniversary of the share purchase. The match is subject to forfeiture in case of termination of employment before the end of the plan cycle. The uptake of the March 2022 scheme was 21 colleagues with an annual cost to the Group of £28,605.

The plan was made available to all colleagues eligible to trade shares and who had six months of continuous service. The GSPP has the same core design in all locations, except Canada.

21. Share options and share awards continued

Share Incentive Plan ('SIP')

This is a new scheme which was put into place in March 2022. The plan is overseen by the Remuneration Committee of the Board. The plan is akin to the GSPP offering employees an opportunity to directly participate in the long-term success of the Group by purchasing shares (up to a maximum of £1,800 per year per the plan cycle), through the SIP. The SIP scheme is a HMRC approved tax efficient employee plan. The Group provides a matching share for every share purchased by employees which will be awarded to the colleague on the three year anniversary of the share purchase. The uptake of the March 2022 scheme was 18 colleagues with an annual cost to the Group of £21,900.

All UK colleagues who had six months of continuous service and under no share dealing restrictions were eligible to apply.

Number of share options

The number of share options and their weighted average option price is:

	Number of share options		Weighted average exercise price	
	EMI Number	Unapproved share options Number	EMI £	Unapproved share options £
Outstanding at 1 April 2020	344,469	112,881	2.45	3.53
Forfeited	(1,350)	(1,200)	10.00	10.00
Exercised prior to share split and bonus issue	(24,841)	(20,601)	1.36	1.82
Outstanding prior to bonus issue and share split	**318,278**	**91,080**	**3.31**	**6.77**
Outstanding after bonus issue and share split	**9,548,340**	**2,732,400**	**0.11**	**0.23**
Exercised after share split and bonus issue	**(9,548,340)**	**(2,688,900)**	**0.11**	**0.23**
Outstanding at 31 March 2021	**–**	**43,500**	**–**	**0.33**
Exercisable at 31 March 2021		**43,500**		**0.33**
Exercised during the year		**(43,500)**		**0.33**
Outstanding at 31 March 2022	**–**	**–**	**–**	**–**

	Number of share options		Weighted average exercise price	
	CSOP Number	Performance share option Number	CSOP £	Performance share option £
Outstanding at 1 April 2021	299,705	1,414,680	1.68	–
Granted after share split and bonus issue				
Outstanding at 31 March 2022	**299,705**	**1,414,680**	**1.68**	**0.00**

No CSOP or performance share options were exercisable at 31 March 2022.

22. Financial risk management

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables and finance lease liabilities.

The main purpose of these financial instruments is to finance the Group's operations.

Risk management is carried out by the finance department under policies approved by the Board of Directors. The Group finance department identifies, evaluates and manages financial risks. The Board provides guidance on overall risk management including credit risk, and investment of excess liquidity.

The impact of the risks required to be discussed under IFRS 7 are detailed below:

a) Market risk

Foreign exchange risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The exposure to transactional foreign exchange risk is monitored and managed at a Group level. The Group seeks to reduce foreign exchange exposures arising from transactions in various currencies through a policy of matching as far as possible, receipts and payments across the Group in each individual currency.

The group's exposure to foreign currency risk at the end of the reporting period, expressed in Currency Units, was as follows:

Year ended 31 March 2022	**USD $000**	**ZAR R000**	**AUD $000**	**INR ₹000**	**EUR €000**	**CAD $000**	**NZD $000**
Trade receivables	**1,052**	**(91)**	**708**	**3,465**	**–**	**31**	**–**
Cash and Cash equivalents	**7,411**	**1,520**	**6,286**	**31,420**	**380**	**3,548**	**664**
Trade payables	**(126)**	**(85)**	**(93)**	**(34)**	**(3)**	**–**	**–**

Year ended 31 March 2021	USD $000	ZAR R000	AUD $000	INR ₹000	EUR €000	CAD $000	NZD $000
Trade receivables	506	690	2,771	–	–	21	–
Cash and Cash equivalents	9,470	1,912	1,444	19,032	76	2,662	196
Trade payables	(17)	(56)	(47)	(344)	(4)	(2)	–

The following table shows the effect on the Group's result for the year, of sterling strengthening by 5% against debtor, creditor and cash balances denominated in foreign currencies, with all other variables held constant. 5% represents management's assessment of the reasonable possible change in exchange rates.

Year ended 31 March 2022	**USD £000**	**ZAR £000**	**AUD £000**	**INR £000**	**EUR £000**	**CAD £000**	**NZD £000**
Impact on profit and equity for the year (in sterling)	**(302)**	**(3)**	**(187)**	**(17)**	**(15)**	**(104)**	**(17)**

The total cost in sterling of a 5% strengthening is £645k.

Year ended 31 March 2021	USD £000	ZAR £000	AUD £000	INR £000	EUR £000	CAD £000	NZD £000
Impact on profit and equity for the year (in sterling)	(381)	(7)	(122)	(10)	(3)	(81)	(5)

The total cost in sterling of a 5% strengthening is £609k.

The following table shows the effect on the Group's result for the year, of sterling weakening by 5% against debtor, creditor and cash balances denominated in foreign currencies, with all other variables held constant. 5% represents management's assessment of the reasonable possible change in exchange rates.

Year ended 31 March 2022	**USD £000**	**ZAR £000**	**AUD £000**	**INR £000**	**EUR £000**	**CAD £000**	**NZD £000**
Impact on profit and equity for the year (in sterling)	**334**	**4**	**207**	**18**	**17**	**115**	**18**

The total benefit in sterling of a 5% weakening is £713k.

Year ended 31 March 2021	USD £000	ZAR £000	AUD £000	INR £000	EUR £000	CAD £000	NZD £000
Impact on profit and equity for the year (in sterling)	345	6	110	9	3	74	5

The total benefit in sterling of a 5% weakening is £552k.

The group has chosen to keep significant cash reserves in USD. The group expects to incur a future net outflow of USD and has therefore chosen to hold this currency to negate this future currency risk.

22. Financial risk management continued

Cash flow and fair value Interest rate risk

The Group's exposure to changes in interest rate risk relates primarily to interest earning financial assets and interest-bearing financial liabilities. Finance leases are at fixed effective interest rates with no interest rate risk.

b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. Credit risks also arise from cash and cash equivalents and deposits with banks and financial institutions. Credit risk is managed on a Group basis.

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

At 31 March	2022 £000	2021 £000
Trade receivables	**2,723**	3,167
Other receivables	**78**	1,623
Contract assets	**466**	825
Cash and cash equivalents	**13,753**	16,617
	17,020	22,232

Contract assets relating to SaaS are only recognised where a contract with a customer is expected to be renewed, and there is a clear expectation that there will be a signed contract as the customer was using the Group's software at the balance sheet date. Contract assets are only expected to be a short-term asset as invoices are raised once the signed agreement is in place. The Group has placed no loss provision on these assets, as they are routinely converted into an invoice once the contract is agreed, which is then paid.

T&I contract assets are only recognised when there is a signed contract, and T&I work has taken place with a customer which is yet to be invoiced. Contract assets are only expected to be short-term assets as invoices are raised once the work is completed. The Group has placed no loss provision on these assets, as they are routinely converted into an invoice which is then paid.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 March 2022 and the corresponding historical credit losses experienced within this period.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

At 31 March	2022 £000	2021 £000
Not due	**1,534**	1,410
0-30 days overdue	**470**	585
31-60 days overdue	**425**	226
61-90 days overdue	**28**	945
91-120 days overdue	**266**	1
	2,723	3,167

Due to the low level of historic defaults, the Group's provisioning against trade receivables is not significant to the reported result. A general provision matrix based on performance for the last 36 months results in a £nil provision. Based on forward looking information, specific provisions of £47k (2021: £27k) are included against its trade receivables.

The company considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- Internal credit rating.
- External credit rating (as far as available).
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.
- Actual or expected significant changes in the operating results of the borrower.
- Significant increases in credit risk on other financial instruments of the same borrower.
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed by IFRS 9 if a debtor is more than 30 days past due in making a contractual payment. Management have rebutted this presumption for trade receivables due to their history of recovery of balances and only consider there to be a significant increase in credit risk where a trade receivable is more than 90 days past due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. Where receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Financial instruments which potentially subject the Group to concentrations of credit risk are primarily cash, cash equivalents and accounts receivable. The Group places its cash and cash equivalents in demand accounts and money market funds.

The Group sells their products to customers in diversified industries worldwide, including North America, Europe, Asia and Australasia. Revenues from customers outside the UK in the year ended 31 March 2022 were approximately £11,147k (March 2021: £10,280k).

Adverse economic developments in foreign countries could adversely affect the Group's operating results. The Group performs ongoing credit evaluations of their customers' financial condition and generally requires no collateral. The Group does not have a history of credit losses. The credit risk on liquid funds is limited because funds are held with banks with high credit-ratings assigned by international credit-rating agencies. Management does not expect any losses from non-performance of these counterparties.

None of the Group's financial assets are secured by collateral or other credit enhancements.

c) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting its obligations associated with the financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when then are due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group closely monitors its access to bank and other credit facilities in comparison to its outstanding commitments on a regular basis to ensure that it has sufficient funds to meet obligations of the Group as they fall due. The Board receives regular debt management forecasts which estimate the cash inflows and outflows over the next twelve months, so that management can ensure that sufficient financing is in place as it is required.

22. Financial risk management continued

c) Liquidity risk continued

The Group's financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

At 31 March 2022	**Less than 1 year £000**	**Between 1 and 2 years £000**	**Between 2 and 5 years £000**	**Over 5 years £000**	**Total cashflow £000**	**Carrying amount of liabilities £000**
Trade payables	**1,326**	**–**	**–**	**–**	**1,326**	**1,326**
Other payables	**818**	**–**	**–**	**–**	**818**	**818**
Accruals	**3,284**	**–**	**–**	**–**	**3,284**	**3,284**
Lease liabilities	**193**	**207**	**400**	**–**	**800**	**640**
	5,621	**207**	**400**	**–**	**6,228**	**6,068**

At 31 March 2021	Less than 1 year £000	Between 1 and 2 years £000	Between 2 and 5 years £000	Over 5 years £000	Total cashflow £000	Carrying amount of liabilities £000
Trade payables	689	–	–	–	689	689
Other payables	101	–	–	–	101	101
Accruals	3,071	–	–	–	3,071	3,071
Lease liabilities	192	192	456	109	949	817
	4,053	192	456	109	4,810	4,678

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date.

d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may, subject to shareholders' approval as appropriate, adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

The Group manages its capital to ensure that all Group entities will be able to continue on a going concern basis while maximising its long-term return to shareholders. As the Group is typically paid in advance by its customers there is a delay between the cashflow inflow and the recognition of revenue. Therefore, the Group primarily monitors its cashflow requirements as the main metric in order to ensure it is not exposed to unwanted capital risk.

e) Summary of financial assets and liabilities by category

The carrying amount of financial assets and liabilities recognised may also be categorised as follows:

At 31 March	**2022 £000**	2021 £000
Financial assets at amortised cost		
Trade and other receivables	**3,754**	5,615
Cash and cash equivalents	**13,753**	16,617
	17,507	22,232

At 31 March	**2022 £000**	2021 £000
Financial liabilities at amortised cost		
Trade and other payables	**5,428**	3,861
Lease liabilities	**640**	817
	6,068	4,678

Fair values and risk measurement

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables and lease liabilities. The carrying value of these are all recorded at amortised cost. The fair values of these financial instruments approximate to their carrying values due to either their short-term nature or being priced at market-based variable interest rates.

23. Analysis of changes in net debt

	Liabilities from financing activities					
	Bank loans £000	Related party loans £000	Leases £000	Subtotal £000	Cash & cash equivalents £000	Total £000
Net debt at 1 April 2020	(6,340)	(999)	(1,034)	(8,373)	4,093	(4,280)
Cashflows	6,340	999	250	7,589	12,913	20,502
New loan/leases	–	–	(40)	(40)	–	(40)
Foreign exchange	–	–	7	7	(389)	(382)
Net debt at 31 March 2021	**–**	**–**	**(817)**	**(817)**	**16,617**	**15,800**
Cashflows	**–**	**–**	**184**	**184**	**(2,911)**	**(2,727)**
Foreign exchange	**–**	**–**	**(7)**	**(7)**	**47**	**40**
Net debt at 31 March 2022	**–**	**–**	**(640)**	**(640)**	**13,753**	**13,113**

24. Other financial commitments

On 12 October 2021 the Company entered into a debenture agreement with HSBC UK Bank plc which involved the application of a fixed and floating charge on the companies assets.

The amount of borrowings outstanding subject to this charge at 31 March 2022 was nil.

25. Controlling party

At the year end the directors are of the opinion that there is no ultimate controlling party.

26. Events after the reporting date

Subsequent to the year end a claim for £0.4m has been made by an employee, against ActiveOps USA Inc. The Company is investigating the claim and currently sees no merit in the basis for the claim.

COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2022

At 31 March	Notes	2022 £000	2021 £000
Non-current assets			
Intangible assets	C4	**381**	27
Property, plant and equipment	C5	**126**	168
Right-of-use assets	C6	**502**	615
Investments	C7	**6,543**	6,380
Total non-current assets		**7,552**	7,190
Current assets			
Trade and other receivables	C8	**4,014**	5,090
Corporation tax recoverable		**–**	11
Cash and cash equivalents		**6,155**	12,186
Total current assets		**10,169**	17,287
Total assets		**17,721**	24,477
Equity			
Share capital		**71**	71
Share premium account		**6,444**	6,430
Share option reserve		**565**	3
Retained earnings		**57**	3,632
Total equity		**7,137**	10,136
Non-Current liabilities			
Lease liabilities	C6	**482**	592
Borrowings		**–**	–
Provisions	C10	**50**	50
Total non-current liabilities		**532**	642
Current liabilities			
Trade and other payables	C9	**9,970**	13,595
Lease liability	C6	**82**	104
Total current liabilities		**10,052**	13,699
Total equity and liabilities		**17,721**	24,477

ActiveOps plc reported a loss for the period of £3,576k (2021: profit of £9,416k).

The Company financial statements of ActiveOps plc were approved and authorised for issue by the Board of Directors on 19 July 2022 and were signed on its behalf by:

Paddy Deller
Director and Group CFO

The notes on pages 94 to 97 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

Year ended 31 March	Share capital £000	Share premium £000	Share option reserve £000	Retained earnings £000	Total £000
At 1 April 2020	19	4,755	221	(6,043)	(1,048)
Profit for the year	–	–	–	9,416	9,416
Total comprehensive income for the year	–	–	–	9,416	9,416
Transactions with owners, recorded directly in equity					
Reserve transfer on exercising of share options	–	–	(259)	259	–
Share based payment charge	–	–	41	–	41
Bonus issue of shares	39	(39)	–	–	–
Issue of shares	13	1,714	–	–	1,727
Total transactions with owners	52	1,675	(218)	259	1,768
At 31 March 2021	71	6,430	3	3,632	10,136

Year ended 31 March	**Share capital £000**	**Share premium £000**	**Share option reserve £000**	**Retained earnings £000**	**Total £000**
At 1 April 2021	**71**	**6,430**	**3**	**3,632**	**10,136**
Loss for the year	**–**	**–**	**–**	**(3,576)**	**(3,576)**
Total comprehensive expense for the year	**–**	**–**	**–**	**(3,576)**	**(3,576)**
Transactions with owners, recorded directly in equity					
Reserve transfer on exercising of share options	**–**	**–**	**(1)**	**1**	**–**
Share based payment charge	**–**	**–**	**563**	**–**	**563**
Issue of shares	**–**	**14**	**–**	**–**	**14**
Total transactions with owners	**–**	**14**	**562**	**1**	**577**
At 31 March 2022	**71**	**6,444**	**565**	**57**	**7,137**

The notes on pages 94 to 97 form part of these financial statements.

NOTES FORMING PART OF THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

C1. Accounting policies
The Company has applied the Group accounting policies consistently during the year.

Basis of preparation
The financial statements are for the year ended 31 March 2022. The financial statements of the Company have been prepared on a going concern basis and in accordance with the requirements of the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 (FRS 101). These financial statements have been prepared in accordance with FRS 101.

The accounting policies set out in note 2 of the consolidated financial statements have been applied in the preparation of these financial statements.

The Company has made significant accounting estimates and judgments in relation to the capitalisation of development costs. This is detailed in note 3 of the Group Accounts.

Exemptions
As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to:
- Related party transactions with wholly owned subsidiaries.
- Financial instrument disclosures.
- Statement of cashflows.
- Capital management disclosures.
- Additional comparative information.
- Remuneration disclosures to key management personnel.
- A reconciliation of the outstanding shares at the beginning and end of the period.
- A reconciliation of share options in the year.

Investments in subsidiaries
Investments in subsidiary undertakings are stated at cost less any adjustments for impairment.

Changes in accounting policies
New standards, interpretations and amendments adopted in these accounts
All changes to accounting standards are explained in note 2 to the consolidated financial statements.

C2. Profit/(loss) for the year
As permitted by section 408 of the Companies Act 2006, the parent company has elected not to present its own profit and loss account for the year. The auditor's remuneration for audit and other services is disclosed in note 7 to the consolidated financial statements.

C3. Employees and Directors
The average number of employees employed by the company during the year was:

Number of employees	2022	2021
Sales and marketing	**15**	9
Information technology and product	**42**	30
Client services	**14**	14
Management and other	**18**	18
	89	71

'Management and other' includes three Non-Executive Directors.

Their aggregate remuneration compromised:

For the year ended 31 March	2022 £000	2021 £000
Wages and salaries	**6,814**	5,378
Social security costs	**827**	681
Pensions costs	**300**	293
Share option charges	**400**	42
	8,341	6,394

C4. Intangible assets

	Purchased software £000	Intellectual property rights £000	Capitalisation of development costs £000	Total £000
Cost				
At 1 April 2020	–	125	–	125
Additions	30	–	–	30
At 31 March 2021	**30**	**125**	**–**	**155**
Additions	–	–	364	364
At 31 March 2022	**30**	**125**	**364**	**519**
Accumulated depreciation				
At 1 April 2020	–	125	–	125
Provided during the period	3	–	–	3
At 31 March 2021	**3**	**125**	**–**	**128**
Provided during the period	10	–	–	10
At 31 March 2022	**13**	**125**	**–**	**138**
Carrying amount				
At 31 March 2022	**17**	**–**	**364**	**381**
At 31 March 2021	27	–	–	27

C5. Property, plant and equipment

	Leasehold improvements £000	Plant and machinery £000	Fixtures, fittings and equipment £000	Total £000
Cost				
At 1 April 2020	120	149	387	656
Additions	–	37	–	37
At 31 March 2021	**120**	**186**	**387**	**693**
Additions	–	47	–	47
At 31 March 2022	**120**	**233**	**387**	**740**
Accumulated depreciation				
At 1 April 2020	114	93	224	431
Provided during the period	6	37	51	94
At 31 March 2021	**120**	**130**	**275**	**525**
Provided during the period	–	40	49	89
At 31 March 2022	**120**	**170**	**324**	**614**
Carrying amount				
At 31 March 2022	**–**	**63**	**63**	**126**
At 31 March 2021	–	56	112	168

C6. Right-of-use assets

	Buildings £000
Net book value	
At 1 April 2020	717
Depreciation charge for the year	(102)
At 31 March 2021	**615**
Depreciation charge for the year	(113)
At 31 March 2022	**502**

C7. Investment in subsidiaries

Shares in group undertakings	£000
At 1 April 2020	8,656
Additions	737
Disposals	(3,013)
At 31 March 2021	**6,380**
Additions	163
At 31 March 2022	**6,543**

Details of the Group's subsidiaries at 31 March 2022 are included in note 15 of the Group financial statements.

C8. Trade and other receivables

At 31 March	**2022 £000**	2021 £000
Trade receivables	**1,469**	1,219
Prepayments & Accrued Income	**543**	754
Amounts due from Group undertakings	**1,963**	1,644
Other receivables	**39**	1,473
	4,014	5,090

The Company charges interest to its subsidiaries on intercompany balances at a rate of LIBOR +4%.

The company applies the general approach to measuring expected credit losses (ECL) on other receivables and amounts due from Group undertakings, which uses the three-stage approach for measuring the ECL. As a result of the above conversion of loans, the unprovided loans are in stage 1 and no additional ECL has been recognised in the current year on the grounds of materiality.

C9. Trade and other payables

Creditors due within one year:

At 31 March	2022 £000	2021 £000
Trade payables	**1,129**	640
Other taxation and social security	**644**	4,110
Amounts due to Group undertakings	**2,214**	3,031
Accruals and deferred income	**5,983**	5,814
	9,970	13,595

C10. Provisions

A provision is required to restore leased premises to their original condition at the end of the respective lease terms. A provision of £50k has been recognised for the estimated expenditure required to remove any leasehold improvements.

At 31 March	2022 £000	2021 £000
Provisions brought forward	**50**	50
Provisions carried forward	**50**	50

C11. Events after the reporting date

There have been no events that have occurred since the financial year end that require disclosure.

NOTICE OF ANNUAL GENERAL MEETING

If you hold ordinary shares in the Company, this notice is important and requires your immediate attention. If you are in any doubt about the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all your ordinary shares in the Company, please forward this document to the purchaser or transferee or to the stockbroker, bank or other person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

If you hold any ordinary shares, you should have received a proxy form for use in respect of the meeting. Guidance notes on how to complete it, and on other matters, are given on the form itself and in the notes to this notice.

At the time of serving the Notice of AGM and having considered the ongoing Covid-19 pandemic and the latest UK Government measures on physical public gatherings, the Board is satisfied that the AGM can take place in person this year. However, given potential uncertainty, you are encouraged, regardless of the number of shares you own, to appoint the Chair of the AGM as proxy, further details of which are contained in the Notice of AGM.

If you plan to attend the AGM in person, please notify the Company in advance by email to investors@activeops.com to assist us in planning and implementing arrangements for this year's meeting, as the Company may need to implement health and safety protocols to ensure the safety of all attendees.

Please do not attend in person if you have symptoms of or have tested positive for Covid-19 on the day of the meeting. The Company wishes to advise that, should the situation in relation to Covid-19 change, or any further UK Government measures on physical public gatherings be put into place, the Board may make changes to the arrangements of the AGM.

If there are any changes to the arrangements of the AGM, these will be communicated to members before the meeting through the Company's website and, where appropriate, via the Regulatory News Service.

Shareholders are invited to submit any questions for the Board in advance by sending an email to investors@activeops.com. The Directors will give a business update to shareholders and answer relevant questions at the beginning of the AGM, after which the formal business as set out in the Notice of AGM will be considered.

NOTICE OF ANNUAL GENERAL MEETING
The 2022 annual general meeting of ActiveOps plc (the 'Company') will be held at the offices of CMS Cameron McKenna Nabarro Olswang LLP at Cannon Place, 78 Cannon Street, London, EC4N 6AF, at 11 a.m. on 29 September 2022 for the following purposes:

ORDINARY RESOLUTIONS
To consider and, if thought fit, to pass the following resolutions, which will be proposed as ordinary resolutions:

1. To receive the audited annual accounts and reports for the financial year ended 31 March 2022.
2. To reappoint Sean Francis Finnan as a Director.
3. To reappoint Richard John Jeffery as a Director.
4. To reappoint Patrick Alexander Deller as a Director.
5. To reappoint Michael Gerald McLaren as a Director.
6. To reappoint Hilary Wright as a Director.
7. To reappoint RSM UK Audit LLP as auditors of the Company, to hold office until the conclusion of the next annual general meeting of the Company.
8. To authorise the Directors to determine RSM UK Audit LLP's remuneration as auditors of the Company.
9. For the purposes of section 366 of the Companies Act 2006, to authorise the Company and all companies that are its subsidiaries at any time during the period for which this resolution has effect to:
   (a) make political donations to political organisations other than political parties (as such terms are defined in sections 363 and 364 of the Companies Act 2006) not exceeding £10,000 in aggregate; and
   (b) incur political expenditure (as defined in section 365 of the Companies Act 2006) not exceeding £10,000, in aggregate,
   during the period beginning with the date of the passing of this resolution and ending 15 months after the date of the passing of this resolution or, if sooner, the conclusion of the next annual general meeting of the Company provided that the maximum amounts referred to in (a) and (b) may comprise sums in different currencies that shall be converted at such rate as the Directors may in their absolute discretion determine to be appropriate.

10. That the Directors be generally and unconditionally authorised to exercise all powers of the Company to allot shares and to grant rights to subscribe for or to convert any security into shares up to an aggregate nominal amount of £47,576.12 comprising:
    (a) an aggregate nominal amount of £23,788.06 (whether in connection with the same offer or issue as under (b) below or otherwise); and
    (b) an aggregate nominal amount of £23,788.06 in the form of equity securities (as defined in section 560 of the Companies Act 2006) in connection with an offer by way of a rights issue or other pre-emptive offer or issue, open for acceptance for a period fixed by the Directors, made to holders of ordinary shares (other than the Company) on the register on any record date fixed by the Directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever.

    This authority shall expire (unless previously varied as to duration, revoked or renewed by the Company in general meeting) on the date falling 15 months after the passing of this resolution or, if earlier, at the conclusion of the annual general meeting of the Company in 2023, except that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or such rights to be granted after such expiry and the Directors may allot shares or grant such rights in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

SPECIAL RESOLUTIONS

To consider and, if thought fit, to pass the following resolutions, which will be proposed as special resolutions:

11. That the Directors be empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash pursuant to the general authority conferred on them by resolution 10 and/or to sell equity securities held by the Company as treasury shares for cash pursuant to section 727 of the Companies Act 2006, in each case as if section 561 of that Act did not apply to any such allotment or sale, provided that this power shall be limited to:
    (a) any such allotment and/or sale of equity securities in connection with an offer by way of a rights issue or other pre-emptive offer or issue, open for acceptance for a period fixed by the Directors, made to holders of ordinary shares (other than the Company) on the register on any record date fixed by the Directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever; and
    (b) any such allotment and/or sale, otherwise than pursuant to sub-paragraph (a) above, of equity securities having, in the case of ordinary shares, an aggregate nominal value or, in the case of other equity securities, giving the right to subscribe for or convert into ordinary shares having an aggregate nominal value, not exceeding the sum of £3,568.20.

    This authority shall expire, unless previously revoked or renewed by the Company in general meeting, at such time as the general authority conferred on the Directors by resolution 10 expires, except that the Company may before such expiry make any offer or agreement which would or might require equity securities to be allotted or equity securities held as treasury shares to be sold after such expiry and the Directors may allot equity securities and/or sell equity securities held as treasury shares in pursuance of such an offer or agreement as if the power conferred by this resolution had not expired.

12. That, in addition to any authority granted under resolution 11, the Directors be empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash pursuant to the general authority conferred on them by resolution 10 and/or to sell equity securities held by the Company as treasury shares for cash pursuant to section 727 of the Companies Act 2006, in each case as if section 561 of that Act did not apply to any such allotment or sale, provided that this power shall be:
    (a) limited to any such allotment and/or sale of equity securities having, in the case of ordinary shares, an aggregate nominal value or, in the case of other equity securities, giving the right to subscribe for or convert into ordinary shares having an aggregate nominal value, not exceeding the sum of £3,568.20; and
    (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after 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.

    This authority shall expire, unless previously revoked or renewed by the Company in general meeting, at such time as the general authority conferred on the Directors by resolution 10 expires, except that the Company may before such expiry make any offer or agreement which would or might require equity securities to be allotted or equity securities held as treasury shares to be sold after such expiry and the Directors may allot equity securities and/or sell equity securities held as treasury shares in pursuance of such an offer or agreement as if the power conferred by this resolution had not expired.

13. That the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of its ordinary shares of 0.1 pence each provided that in doing so it:
    (a) purchases no more than 7,136,418 ordinary shares in aggregate;
    (b) pays not less than 0.1 pence (excluding expenses) per ordinary share; and
    (c) pays a price per share that is not more (excluding expenses) per ordinary share than the higher of:
        (i) 5% above the average of the middle market quotations for the ordinary shares as derived from the Daily Official List for the five business days immediately before the day on which it purchases that share; and
        (ii) the higher of the price of the last independent trade and the highest current independent bid on the market where the purchase is carried out.

    This authority shall expire at the conclusion of the Company's next annual general meeting or within 15 months from the date of passing of this resolution (whichever is the earlier), but the Company may, if it agrees to purchase ordinary shares under this authority before it expires, complete the purchase wholly or partly after this authority expires.

The Directors believe that the proposals in resolutions 1 to 13 are in the best interests of shareholders as a whole. The Directors will be voting in favour of them and unanimously recommend that you do so as well.

On behalf of the Board

Rebecca Hughes
Company Secretary
19 July 2022

Registered office:
One Valpy, 20 Valpy Street, Reading, England, RG1 1AR Registered in England and Wales No. 03125867

Notes

1) Although the AGM is taking place in person this year, given potential uncertainty in connection with the ongoing Covid-19 pandemic, you are encouraged, regardless of the number of shares you own, to appoint the Chair of the AGM as your proxy, further details of which are contained in note 5 below. If you plan to attend the AGM in person, please notify the Company in advance by email to investors@activeops.com. Please do not attend in person if you have symptoms of or have tested positive for Covid-19 on the day of the meeting. The Company wishes to advise that, should the situation in relation to Covid-19 change, or any further UK Government measures on physical public gatherings be put into place, the Board may make changes to the arrangements of the AGM. If there are any changes to the arrangements of the AGM, these will be communicated to members before the meeting through the Company's website and, where appropriate, via the Regulatory News Service.
2) Shareholders are invited to submit any questions for the Board in advance by sending an email to investors@activeops.com. The Directors will give a business update to shareholders and answer relevant questions at the beginning of the AGM, after which the formal business as set out in the Notice of AGM will be considered.
3) A shareholder is entitled to appoint another person as that shareholder's proxy to exercise all or any of that shareholder's rights to attend and to speak and vote at the AGM. A shareholder may appoint more than one proxy in relation to the AGM, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy does not need to be a shareholder of the Company, although you are recommended to appoint the Chair of the AGM. If you are appointing more than one proxy you will need to state clearly on each form of proxy the number of shares in relation to which the proxy is appointed, and ensure that, taken together, the numbers of shares stated on the forms of proxy do not exceed your holding.
4) A personalised form of proxy for use in connection with the AGM is enclosed with the document of which this notice forms part. If you do not have a personalised form of proxy and believe that you should, please contact the Company's registrars, Equiniti Limited on 0371 384 2030 if calling from the UK, or +44 (0)371 384 2030 if calling from overseas.
5) To appoint a proxy or proxies, shareholders must complete:
   a. a form of proxy, sign it and return it, together with the power of attorney or any other authority under which it is signed, or a notarially certified copy of such authority, to the Company's registrars, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA; or
   b. a CREST Proxy Instruction (see note 6 below); or
   c. an online proxy appointment at www.sharevote.co.uk using the Task ID, Voting ID and Shareholder Reference Number provided on the form of proxy,

   in each case so that it is received no later than 11 a.m. on 27 September 2022.
6) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) of the meeting by using the procedures described in the CREST Manual (available via http://www.euroclear.com/CREST). CREST Personal Members or other CREST sponsored members and those CREST members who have appointed any voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7) In order for a proxy appointment or 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 & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or 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 Company's agent (ID RA19) by the latest time for receipt of proxy appointments set out in note 5 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company'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.
8) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular messages. 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 any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is 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 service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9) 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.
10) Only those shareholders included in the register of members of the Company at 6.30 p.m. on 27 September 2022 or, if the meeting is adjourned, in the register of members at 6.30 p.m. on the day which is two working days before the time for holding any adjourned meeting, will be entitled to attend and to vote at the AGM in respect of the number of shares registered in their names at that time. Changes to entries on the share register after the relevant deadline will be disregarded in determining the rights of any person to attend or vote at the AGM.
11) Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
12) You may not use any electronic address provided either in this notice of annual general meeting or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.
13) As at 12 July 2022 (being the last business day before the publication of this Notice), the Company's issued share capital consisted of 71,364,180 ordinary shares carrying one vote each. The Company does not hold any shares in treasury. Therefore, the total voting rights in the Company as at 12 July 2022 are 71,364,180.
14) Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting, but no such answer need be given if:
   a. to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
   b. the answer has already been given on a website in the form of an answer to a question; or
   c. it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
15) Copies of the Directors' service contracts and letters of appointment are available for inspection at the Company's registered office during normal business hours on any weekday (excluding public holidays) and at the place of the AGM for 15 minutes prior to and during the meeting.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

The notice of the Annual General Meeting of the Company to be held on 29 September 2022 is set out on pages 98 to 103 of the annual accounts and reports. The following notes provide an explanation as to why the resolutions set out in the notice are to be put to shareholders.

Resolutions 1 to 10 are ordinary resolutions. These resolutions will be passed if more than 50% of the votes cast for or against are in favour.

Resolution 1 – Laying of Accounts

The Directors are required by the Companies Act 2006 to present to the shareholders of the Company at a general meeting the reports of the Directors (including the strategic report) and auditors, and the audited accounts of the Company, for the year ended 31 March 2022. The reports of the Directors and the audited accounts have been approved by the Directors, and the report of the auditors has been approved by the auditors, and a copy of each of these documents may be found in the annual accounts and reports, starting at page 58.

Resolutions 2 to 6 – Reappointment of the Directors

Notwithstanding that neither the articles of association of the Company nor the QCA Guidelines (the corporate governance code to which the Company adheres) require them to do so, all the Directors are seeking reappointment as has increasingly become the market practice and standard of good corporate governance. Biographical information for Sean Francis Finnan, Richard John Jeffery, Patrick Alexander Deller, Michael Gerald McLaren and Hilary Wright is shown on pages 40 and 41 of the annual report and accounts.

Resolution 7 – Auditors' appointment

The Companies Act 2006 requires that auditors be appointed at each general meeting at which accounts are laid, to hold office until the next such meeting. This resolution seeks shareholder approval for the reappointment of RSM UK Audit LLP. The Audit Committee keeps under review the independence and objectivity of the external auditors, further information on which can be found in the annual report and accounts on page 50. After considering relevant information the Audit Committee recommended to the Board of Directors that RSM UK Audit LLP be reappointed.

Resolution 8 – Auditors' remuneration

This resolution gives the Directors the authority to determine the remuneration of the auditors for the audit work to be carried out by them in the next financial year. The amount of the remuneration paid to the auditors for the next financial year will be disclosed in the next audited accounts of the Company.

Resolution 9 – Political donations and expenditure

Part 14 of the Companies Act 2006 provides that political donations or political expenditure made or incurred by a company must be authorised in advance by the Company's shareholders. It is not the policy of the Company to make political donations or incur political expenditure, and the Company has no intention of using the authority granted by this resolution for this purpose, but, because the definitions in the Companies Act 2006 are broadly framed, normal business activities of the Company, which might not be thought to be political expenditure or political donations in the usual sense, could be caught. This resolution is a precautionary measure to ensure that the Company and its subsidiaries do not inadvertently breach the Companies Act 2006. If passed, this resolution will authorise the Company and its subsidiaries to make donations to political organisations (excluding political parties and independent candidates) and to incur political expenditure (each as defined in the Companies Act 2006) up to an aggregate limit of £10,000 for each category in the period beginning with the date of the passing of this resolution and ending 15 months after the passing of this resolution or, if sooner, the conclusion of the next annual general meeting of the Company.

Resolution 10 – Authority to the Directors to allot shares

The Companies Act 2006 provides that the Directors may only allot shares or grant rights to subscribe for or to convert any security into shares if authorised by shareholders to do so. Resolution 10 will, if passed, authorise the Directors to allot shares up to a maximum nominal amount of £47,576.12, which represents an amount which is approximately equal to two-thirds of the issued ordinary share capital of the Company as at 12 July 2022, the latest practicable date prior to the publication of the notice. As at that date, the Company did not hold any treasury shares.

As provided in paragraph (a) of the resolution, up to half of this authority (equal to one-third of the issued share capital of the Company) will enable Directors to allot and issue new shares in whatever manner (subject to pre-emption rights) they see fit. Paragraph (b) of the resolution provides that the remainder of the authority (equal to a further one-third) may only be used in connection with a rights issue or open offer in favour of ordinary shareholders. As paragraph (a) imposes no restrictions on the way the authority may be exercised, it could be used in conjunction with paragraph (b) so as to enable the whole two-thirds authority to be used in connection with a rights issue or open offer. Where usage of this authority exceeds the one-third of the issued share capital, the Directors intend to follow emerging best practice as regards its use (including as to the requirement for Directors to stand for re-election).

The authority will expire at the earlier of (i) the date falling 15 months after the date of passing of the resolution and (ii) the conclusion of the next annual general meeting of the Company.

Passing this resolution will ensure that the Directors continue to have the flexibility to act in the best interests of shareholders, when opportunities arise, by issuing new shares. There are no current plans to issue new shares except in connection with employee share schemes.

The Company does not at present hold any shares in treasury.

Resolutions 11, 12 and 13 are special resolutions. These resolutions will be passed if not less than 75% of the votes cast for and against are in favour.

Resolutions 11 and 12 – Disapplication of statutory pre-emption rights
The Companies Act 2006 prescribes certain pre-emption rights under which, if the Company issues new shares, or grants rights to subscribe for or to convert any security into shares, for cash or sells any treasury shares, it must first offer them to existing shareholders in proportion to their current holdings.

Under Resolution 11, it is proposed that the Directors be authorised to issue shares for cash and/or sell shares from treasury (if any are so held) without offering them first to existing shareholders in accordance with statutory pre-emption rights:
(i) up to an aggregate nominal amount of £3,568.20 (up to 3,568,200 new ordinary shares of 0.1 pence each). This amount represents approximately 5% of the Company's issued share capital as at 12 July 2022, the latest practicable date prior to the publication of the notice. This part of the authority is designed to provide the board with flexibility to raise further equity funding and to pursue acquisition opportunities as and when they may arise; or
(ii) in respect of a rights issue, open offer or other offer that generally provides existing shareholders with the opportunity to subscribe for new shares pro rata to their existing holdings. This part of the authority is designed to give the Directors flexibility to exclude certain shareholders from such an offer where the Directors consider it necessary or desirable to do so in order to avoid legal, regulatory or practical problems that would otherwise arise.

Under Resolution 12, it is proposed that the Directors be authorised to disapply statutory pre-emption rights in respect of an additional 5% of the Company's issued share capital (as at 12 July 2022, the latest practicable date prior to the publication of the notice). The Directors consider that proposing this resolution is appropriate for the Company's circumstances and, in accordance with the Pre-Emption Group's Principles, the Directors confirm that the authority will be used only in connection with an acquisition or specified capital investment that is announced contemporaneously with the issue, or that has taken place in the preceding six-month period and is disclosed in the announcement of the issue.

If passed, the authorities in Resolutions 11 and 12 will expire at the same time as the authority to allot shares given pursuant to Resolution 10.

Excluding any shares issued in connection with an acquisition or specified capital investment as described above, the Directors do not intend to issue more than 7.5% of the issued share capital on a non-pre-emptive basis in any rolling three-year period.

Resolution 13 – Purchase of own shares by the Company
If passed this resolution will grant the Company authority for a period of up to 15 months after the date of passing of the resolution to buy its own shares in the market. The resolution limits the number of shares that may be purchased to 10% of the Company's issued share capital as at 12 July 2022, the latest practicable date prior to the publication of the notice. The price per ordinary share that the Company may pay is set at a minimum amount (excluding expenses) of 0.1 pence per ordinary share and a maximum amount (excluding expenses) of the higher of: (i) 5% over the average of the previous five days' middle market prices; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out. The Directors have no present intention of exercising the authority to purchase the Company's ordinary shares but will keep the matter under review, taking into account the financial resources of the Company, the Company's share price and future funding opportunities.

The Directors' present intention is that shares purchased pursuant to this authority (to the extent statutory requirements are met and provided any treasury shares held do not exceed 10% of the Company's issued share capital) will be held in treasury for future cancellation, sale for cash, or transfer for the purposes of or pursuant to an employee share scheme, although they may be cancelled immediately on repurchase in the light of circumstances at the time. The effect of any cancellation would be to reduce the number of shares in issue. For most purposes, while held in treasury, shares are treated as if they have been cancelled (for example, they carry no voting rights and do not rank for dividends). The Directors will only make purchases under this authority if they believe that to do so would result in an increase in earnings per share for the remaining shareholders and was in the best interests of shareholders generally.

As at 12 July 2022, which is the latest practicable date prior to the publication of the notice, the total number of options to subscribe for ordinary shares of 0.1 pence each in the Company was 1,620,205 representing approximately 2.27% of the issued share capital of the Company at that date. If the proposed market purchase authority were to be used in full and all of the repurchased shares were cancelled (but the Company's issued share capital otherwise remained unaltered), the total number of options to subscribe for ordinary shares of 0.1 pence each in the Company at that date would represent approximately 2.27% of the Company's issued share capital.

COMPANY INFORMATION

Company number
03125867

Directors
Richard Jeffery (CEO)
Paddy Deller (CFO)
Sean Finnan (Non-Executive Chair)
Hilary Wright – (Non-Executive)
Michael McLaren – (Non-Executive)

Company secretary
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