25 November 2021

ActiveOps plc

(ActiveOps, 'the Company', 'the Group')

Interim results for the six months ended 30 September 2021

ActiveOps plc (AIM: AOM), a leading provider of Management Process Automation (MPA) software for running complex and global back-offices, is pleased to announce its unaudited results for the six months ended 30 September 2021.

Financial Highlights:

Six months ended 30 September	2021	2020	Change
Annual recurring revenue "ARR" [1]	£19.8	£17.1	+16%
Revenue			
Software and Subscription revenue	£9.6m	£8.6m	+12%
Training & implementation "T&I" revenue	£1.9m	£0.8m	+137%
Total Revenue	£11.5m	£9.4m	+22%
Gross margin	£9.2m	£7.6m	+21%
Adjusted EBITDA[2]	(£0.2m)	£0.1m	(300%)
Profit/(loss) before tax – continuing operations	(£1.0m)	(£0.6m)	(67%)
Earnings per share on continuing operations	(1.40p)	(1.19p)	(18%)
Profit from discontinued operations net of tax	£0.0m	£1.3m	na
Statutory profit /(loss) for the period	(£1.0m)	£0.6m	(267%)
Net cash and cash equivalents	£10.9m	£1.2m	+808%

- Net Revenue Retention[3] at 110% on a 12 monthly basis, following customer upgrades for both ControliQ and WorkiQ
- 137% growth in Training & Implementation (T&I) revenues following slow H1 FY21 due to the impact of Covid-19
- Adjusted EBITDA loss of £0.2m slightly ahead of management expectations despite increased investment with operating costs increasing £2.0m over the same period in FY21 across sales, relationship management and R&D, with further investment planned for H2.
- Strong balance sheet with net cash position of £10.9m at the period end.

1 Annual recurring revenue "ARR" at the end of the period, is a non-statutory measure
2 Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation, share based payments and IPO costs.
3 Net Revenue Retention is the change in Annual Recurring Revenue from existing customers at the beginning of the period

Strategic and Operational Highlights:

- Added 5 new customer logos globally
- Significant expansion sales in all key regions and targeted industries
- Strong renewals performance with customer retention levels in line with management expectations and historical rates, including three long term Australian banking customers extending their renewal cycle from one to three years (one within the period and two post period end)
- US banking customer becomes first enterprise scale purchase of WorkiQ by an existing ControliQ customer, providing confirmation of the significant up-sell opportunities
- Releases of significant upgrades to both WorkiQ and ControliQ, including new features to further automate data collection activities and to enable more effective capacity planning for teams working in hybrid home/office situations
- 60% increase in software development capacity
- Creation of dedicated data science function to more rapidly address the many opportunities to exploit Artificial Intelligence within the product set

Outlook:

- Continued positive trading in the second half of the year, with a further new customer win, customer expansions and investment in product development
- Strong recovery of T&I revenue continues, supporting software sales
- Increased confidence in delivering a positive full year performance, slightly ahead of Board expectations

Richard Jeffery, Chief Executive of ActiveOps, commented, *"The first six months of the year was a period of continued progress for ActiveOps, as the demand for workforce management solutions increases as a result of back-office operations becoming more complex, more demanding, more regulated and more competitive. Our strong financial performance has been driven by new customer wins and expanded existing customer engagements. We have continued to invest in our team and our offering to ensure we have the structure and products to execute on our growth plans.*

"Trading in the second half of the financial year has seen a continuation of the momentum seen in the first half. We continue to focus on our established strategy, maintain our position as thought leaders and expand the scope of our Workware+ platform to support our customers in simplifying the running of their operations.

"With strong market drivers, alongside a proven and expanding proposition, we remain confident that we are well placed to deliver on our growth ambitions and we are excited about our future prospects."

For more information, please contact:

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About ActiveOps

ActiveOps is a leader in Management Process Automation (MPA), providing a SaaS platform to large enterprises with complex and often global back-offices. The Group's software and embedded back-office operations management methodology enables enterprises to adopt a data-driven, scientific approach to organising work and managing capacity.

The Group's enterprise platform comprises *Workware+*, its MPA software platform, and *AOM,* the Group's operations methodology and framework for effective back-office management. Together, this combination of software and embedded methodology enables operations managers to balance the competing priorities of meeting service and quality standards while improving productivity and reducing cost.

The Group serves its global customer base of approximately 80 enterprise customers from offices in the UK, Ireland, USA, Australia, India and South Africa. The Group's customers are predominantly in the banking, insurance and business process outsourcing (BPO) sectors, including Nationwide, TD Bank, Anthem Inc and DXC Technology.

Chief Executive's Report

I am delighted to report that we have continued to build on the momentum of FY21, with a performance characterised by revenue growth in-line with management expectations and adjusted EBITDA slightly ahead of management expectations, evidencing the continued success of the Group's Land and Expand growth strategy. We have secured new logo wins or contract expansions across all target regions and sectors, including the first enterprise level up-sale of WorkiQ into an existing ControliQ customer and the signing of three-year contract renewals by three major Australian banking customers (one within the period and two post period end). Our customer retention rates remain high as demand for workforce management solutions continues to increase in response to the global move towards hybrid working and the renewed focus on digital transformation.

It was particularly pleasing to note a record sales performance in EMEIA, one of the Group's key target regions. Whilst we remain conscious of the ongoing global uncertainty caused by the pandemic, our high levels of penetration across three geographic regions stand us in good stead to continue our growth and to enable large organisations to adapt to increasingly complex hybrid working models.

We have continued to make good progress in delivering our strategy with investment made in our product suite and our capability. Hires across the Group's Technology, Product, Sales and Customer Success teams will enable ActiveOps to continue to support its growing, global customer base.

Positive financial performance

The continued positive 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 137% following a softer H1 FY21 due to the impact of Covid-19 lockdowns. The strength of the Group's recurring revenue business model is evident in the strong growth in SaaS revenues, reaching £9.6m (H1 FY21: £8.6m).

New customer wins coupled with expansions at existing customers have seen Annual Recurring Revenue increase 16% to £19.8m in the period, while recognised revenue increased 22% to £11.5m (H1 FY21: £9.4m).

In line with the growth strategy outlined at the time of IPO, the Group increased investment in sales, marketing and technology in the period, resulting in a loss before tax for the half of £1.0m (H1 FY21: Loss £0.7m).

Supportive market environment

Following the global shift to working from home in FY21, the first half of the year has seen significant further change as businesses evolve towards future hybrid working practices. Many organisations are still developing these future ways of working and we see significant variation across the markets and industries we serve. Much like the forced move to home-working, the migration to a hybrid approach will be simpler and more secure for those operations who benefit from the rich data and consistent, digitally-enabled operations management processes provided by our solutions.

Operational risk is a growing strategic issue for many businesses, which are now functioning with leaner operations, reducing the inherent contingency and therefore resilience within teams and processes. To respond, organisations need greater control over operations – better foresight and more precise, timely data on production and capacity. Many organisations are finding that their 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 deployment is often not delivered.

Our Management Process Automation solutions break down these silos and ensure investments in process automation deliver their full potential.

In the short-term, procurement processes continue to be protracted as a result of such a profound period of change and uncertainty. However, the factors described above are increasing the awareness of the need for better information and processes for managing work and capacity. In addition, there is an increasing awareness of the opportunity offered by technology such as the Workware+ platform, to augment and automate these management processes.

Just as we have seen issues arise in our cities as outdated infrastructure struggles to cope with the demands of modern inhabitants, existing management processes cannot support the complexity of modern operations. ActiveOps' world-leading MPA product suite and foundational methodology is designed to deliver that control, addressing the challenges of back-office complexity by collating and standardising disparate data, analysing and presenting this data through a set of digital tools which automate key management processes, enabling organisations to optimise their operational performance.

Product enhancements and team expansion

In H1 FY22, in line with our strategy, we continued to increase our investment in R&D and evolve our product offering, increasing its attractiveness to our target customers and further differentiating us from competitors. Developments in the period include the launch of *Collector,* a component available to both WorkiQ and ControliQ which uses task mining technology to automate the enumeration of completed work, providing an accurate picture of productivity whilst reducing the overhead of data collection. This enhancement makes WorkiQ the only EPM solution to meaningfully connect activity time tracking to completed work output. Significant enhancements were also made to ControliQ in the period, with the launch of a new functionality that enables businesses to plan the optimal use of resources more easily in a hybrid work environment.

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 and augment management decision making. Looking forward, we are developing a new WorkiQ extension to meet the specific needs of hybrid working in the US. This enhancement will include functionality to help customers better manage their employees in line with the challenging vaccine mandate legislation recently introduced by the US Government.

H1 FY22 was a period of significant capability investment for ActiveOps, with headcount growing by 17 team members, with a particular focus on our engineering team, to support delivery of our product roadmap. We have already seen the impact of our new development hires on output and look forward to seeing the further increases to pace of progress facilitated by our growing team.

Supporting our belief in the success of our solutions to facilitate a successful hybrid working model, we are operating effectively in hybrid mode ourselves, but with an increased presence in our offices, in-line with local government and healthcare advice. ActiveOps intends to retain a hybrid work environment in the long-term, with no roles expected to be based solely in-office. Some elements of office working will, however, be factored into the operating model for all teams.

We reinstated our annual customer conference, our first fully face-to-face UK event post-lockdown in October 2021, following several successful hybrid events in the US earlier in the year. *Rewriting the Future of Operations* brought together customers, partners and industry commentators at the Dorchester Hotel, London with speaker addresses from ActiveOps staff members, customer representatives and industry analysts.

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 H1 FY22, securing new logo wins or significant expansion sales across all target regions and sectors. Five new customers were secured in the period, 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.

The continued success of our stated Land & Expand strategy was reflected in the number of contract renewals and expansions in the period, including the transition of three Australian banking customers from an annual licence to a multi-year contract for *ControliQ* (one within the period and two post period end), 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.

H1 FY22 also saw the first enterprise level up-sale of *WorkiQ* into an existing *ControliQ* customer; the leading North American bank was the first of ActiveOps' top 10 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 full suite of *Workware+* products in the future. Likewise, we anticipate existing WorkiQ customers extending their usage to include ControliQ as they seek higher levels of operations management maturity.

Focus for the second half

Our focus for H2 YE22 is to further strengthen our position in the rapidly developing market for enterprise management of capacity and work. We look forward to seeing the continued success of our Land & Expand strategy and hope to increase our penetration of our existing customers in addition to further new logo wins. We continue to strengthen our relationships with our transformation partners, work alongside leading industry analysts and support our long-standing customers to achieve success in their markets.

We have enhanced our software development capacity through new hires during H1 FY22. Further investment will take place in the second half and we look forward to maximising the opportunities created by our expanded product set.

Our ESG policies and targets are in development and are expected to be communicated ahead of the FY22 AGM.

Confident Outlook

Trading in the second half of the financial year has continued positively. Alongside further investment in product development, pleasingly we have seen continued momentum of our Land & Expand strategy with one new customer win, two significant existing customer expansion sales and the transition of two Australian banking customers from an annual licence to a multi-year contract for ControliQ. The strong recovery of T&I revenue has continued, supporting future software sales.

This, coupled with the performance that we have delivered in the first half give us increased confidence in delivering a positive full year performance, slightly ahead of the Board's expectations.

As interest in workforce management solutions continues to grow, our market-leading offering continues to resonate with our growing global blue-chip customer base. Our belief in our ability to execute on our growth plans remains strong and we are excited about our future prospects.

Chief Financial Officer's Report

Financial Review

I am pleased to report a good financial performance by the Group for the first half of the year, growing ARR, software and subscription revenue, delivering a small adjusted EBITDA loss with a strong cash position for the Group.

Revenue

Annual Recurring Revenue ('ARR') is a key performance metric for the Group. Included within ARR are ActiveOps' software annual licence fees along with small amounts of recurring support revenue where a customer has purchased an ongoing care package.

ActiveOps' ARR at 30 September 2021 totalled £19.8m (30 September 20 £17.1m), representing year-on-year growth of 16%, delivered through the expansion of our footprint in existing customer accounts and both direct and partner sales to new customers across all of our regions.

Total revenue for the Group at £11.5m (H1 FY21: £9.4m) was 22% ahead of the same period last year with recurring software and subscription revenues increasing by 12% to £9.6m (2020: H1: FY21£8.6m) on a reported basis.

Training and Implementation ('T&I') revenues at £1.9m (2020: H1: FY21 £0.8m) were significantly ahead of the prior year given the impact in H1 FY21 of the COVID-19 pandemic where customers paused implementations for both new and expansion opportunities whilst they managed the uncertainty of the pandemic and secured their business operations.

Operating Profit and Margins

Gross margins moved to 80% (2021: 81%) primarily as a result of a higher proportion of the lower margin Training & Implementation revenues in the period. Software and Subscription margins[4] improved to 85% (H1 FY21: 84%) with strong T&I margins[5] at 56% (H1 FY21: 51%) as a result of significant high margin implementations across a range of customers. T&I revenues and margins vary according to the product mix (between WorkiQ and ControliQ), the location of implementations (with higher cost jurisdictions delivering a higher margin), and the level of support required by ActiveOps coaches on each delivery. H1 saw an ongoing higher mix of EMEIA ControliQ implementations that resulted in a higher margin than the prior year.

Operating expenses (excluding share-based payments, depreciation, amortisation and costs associated with the IPO) increased by 26% to £9.3m (H1 FY21: £7.3m) following continued investment in sales, marketing and technology development. Continued lower levels of travel and the timing of new staff joining led to slightly lower levels of operating expense than had been budgeted. All commission and development costs are expensed to the P&L in the period.

As a result of continued investment in the business, adjusted EBITDA was a marginally loss-making position of (£0.2m) (H1 FY21: profit £0.1m), being slightly ahead of management's expectations.

Foreign Exchange

The Group has 54% (H1 FY21: 55%) of revenues invoiced in currencies other than GBP. Exchange rates have remained broadly stable over the period for the jurisdictions that the Group operates in with a minimal impact on reported numbers.

Product and Technology Expenditure

Total expenditure on product management, research, development and support in the year increased to £2.0m (H1 FY21: £1.2m). The Board has continued to determine that none of the internal R&D costs incurred during the year meet the criteria for capitalisation. Consequently, these have been expensed as incurred through the income statement.

Depreciation & Amortisation
Depreciation & amortisation of £0.5m (H1 FY21: £0.6m) principally comprised intangible amortisation following the acquisition of the OpenConnect entity in 2019 and the Australian entities in 2017.

Note 4 – Software and Subscription margins are Software and Subscription revenue less software and subscription cost of sales

Note 5 – T&I margins are T&I revenues less T&I cost of sales

Taxation
The Group had a minimal tax charge in the first half of the year reflecting the loss-making position. 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.

Statutory Results
The Group reported a loss for the period of £1.0m (H1 FY21: profit £0.6m including a £1.3m profit on discontinued operations).

Earnings per Share
Basic Earnings per Share for continuing operations decreased to a loss of 1.40p (H1 FY21: (1.19p)).

Dividend
The Board has determined that no dividend will be paid in the period. 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.

Cash flow
Cash flow from operations in the first half of the year was negative (£1.8m) excluding £3.5m paid to tax authorities relating to the exercise of employee share options at the IPO. The negative cashflow position in H1 is attributable to the phasing of renewals over the year with a significant level of renewals in the second half of the year and the timing of payments of annual in advance bills can significantly impact the cash position. The Group issued invoices totalling £3.2m in the last week of September 2021 and first week of October 2021 and has received cash of £2.4m by the 31 October 2021.

Balance Sheet
The Group has maintained a strong balance sheet position with net assets at 30 September 2021 of £9.8m (FY21: £10.5m), including a net cash position of £10.9m.

Management Statement

This Interim Management Report (IMR) has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. The IMR should not be relied on by any other party or for any other purpose.

The IMR contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report but such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

By the order of the Board

24 November 2021

Independent review report to ActiveOps plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the interim financial report for the six months ended 30 September 2021 which comprises the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity and notes 1 to 8. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' Responsibilities

The interim financial report, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing and presenting the interim financial report in accordance with the AIM Rules for Companies.

As disclosed in note 2 the annual financial statements of the Group will be prepared in accordance with UK-adopted International Accounting Standards. The condensed set of financial statements included in this interim financial report has been prepared in accordance with the presentation, recognition and measurement criteria of UK-adopted International Accounting Standards.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the six months ended 30 September 2021 is not prepared, in all material respects, in accordance with the presentation, recognition and measurement criteria of UK-adopted International Accounting Standards, and the AIM Rules for Companies.

Use of our report

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "'Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our review work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review 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, for our review work, for this report, or for the conclusions we have formed.

RSM UK Audit LLP

Chartered Accountants

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24 November 2021

ActiveOps plc

Consolidated statement of profit and loss and other comprehensive income for the period to September 2021

	Notes	Six months ended 30 September 2021 £000 Unaudited	Six months ended 30 September 2020 £000 Unaudited
Revenue	3	**11,451**	**9,416**
Cost of sales	4	(2,293)	(1,783)
Gross profit		**9,158**	**7,633**
Administrative expense excluding share options charges, depreciation, amortisation and exceptional items		(9,332)	(7,245)
Administrative expense - share option charges only		(283)	(10)
Administrative expense - depreciation and amortisation only		(503)	(575)
Operating loss		**(960)**	**(197)**
Finance income		1	5
Financing costs		(32)	(229)
Loss before taxation		**(991)**	**(421)**
Taxation	5	(6)	(32)
Loss for the year from continuing activities		**(997)**	**(453)**
Profit for the year from discontinued activities, net of tax		-	1,357
(Loss) / profit for the period		**(997)**	**904**
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations		(37)	(185)
Total comprehensive (loss) / income for the period attributable to the owners of the parent company		**(1,034)**	**719**
Basic and diluted (loss) / earnings per share			
Continuing operations		(1.40p)	(0.78p)
Discontinued operations		0.00p	2.35p
Total		**(1.40p)**	**1.57p**

ActiveOps plc

Consolidated statement of financial position

	Notes	At 30 September 2021 £000 Unaudited	At 31 March 2021 £000 Audited
Non-current assets			
Intangible assets		5,374	5,655
Property, plant and equipment		214	241
Right-of-use assets		642	736
Deferred tax assets		254	296
Total non-current assets		**6,484**	**6,928**
Current assets			
Trade and other receivables	7	6,086	5,836
Corporation tax recoverable		96	54
Cash and cash equivalents		10,915	16,617
Total current assets		**17,097**	**22,507**
Total assets		**23,581**	**29,435**
Equity			
Share capital		71	71
Share premium account		6,444	6,430
Share option reserve		286	4
Foreign exchange reserve		(241)	(204)
Retained earnings		3,214	4,210
Total equity		**9,774**	**10,511**
Non-Current liabilities			
Lease liabilities		530	655
Provisions		89	89
Deferred tax liabilities		1,149	1,210
Total non-current liabilities		**1,768**	**1,954**
Current liabilities			
Trade and other payables	8	11,891	16,808
Lease liability		148	162
Total current liabilities		**12,039**	**16,970**
Total equity and liabilities		**23,581**	**29,435**

ActiveOps plc

Consolidated statement of cash flows

	Notes	Six months ended 30 September 2021 £000 Unaudited	Six months ended 30 September 2020 £000 Unaudited
(Loss) / profit after tax		**(997)**	**904**
Taxation		6	94
Finance income		(1)	(5)
Financing costs		32	233
Operating (loss) / profit		**(960)**	**1,226**
Adjustments for:			
Depreciation property, plant and equipment		76	107
Depreciation right-of-use asset		90	131
Amortisation of intangible assets		337	422
Share option charge		283	10
Change in trade and other receivables		(283)	2,936
Change in trade and other payables	8	(4,867)	(5,007)
Cash (used in) / from operations		**(5,324)**	**(175)**
Interest paid		(32)	(233)
Taxation paid		(78)	(211)
Net cash used in operating activities		**(5,434)**	**(619)**
Investing activities			
Purchase of property, plant and equipment		(49)	(18)
Interest received		1	5
Net cash used in investing activities		**(48)**	**(13)**
Financing activities			
Proceeds from issue of shares		15	-
Repayment of lease liabilities		(135)	(103)
Repayment of bank borrowings		-	(1,609)
Net cash used in financing activities		**(120)**	**(1,712)**
Net change in cash and cash equivalents		(5,602)	(2,344)
Cash and cash equivalents at beginning of the period		16,617	4,093
Effect of foreign exchange on cash and cash equivalents		(100)	17
Cash and cash equivalents at end of the period		**10,915**	**1,766**

ActiveOps plc

Consolidated statement of changes in equity

	Share capital	Share premium	Share option reserve	Foreign exchange reserve	Retained earnings	Total
	£000	£000	£000			£000
At 1 April 2020 (unaudited)	**19**	**4,755**	**221**	**(317)**	**(5,041)**	**(363)**
Profit for the period	-	-	-	-	904	904
Exchange differences on translating foreign operations	-	-	-	(185)	-	(185)
Total comprehensive income for the period	**-**	**-**	**-**	**(185)**	**904**	**719**
Transactions with owners, recorded directly in equity						
Share based payment charge	-	-	10	-	-	10
Total transactions with owners	**-**	**-**	**10**	**-**	**-**	**10**
At 30 September 2020 (unaudited)	**19**	**4,755**	**231**	**(502)**	**(4,137)**	**366**
At 31 March 2021 (audited)	**71**	**6,430**	**4**	**(204)**	**4,210**	**10,511**
Loss for the period	-	-	-	-	(997)	(997)
Exchange differences on translating foreign operations	-	-	-	(37)	-	(37)
Total comprehensive loss for the period	**-**	**-**	**-**	**(37)**	**(997)**	**(1,034)**
Transactions with owners, recorded directly in equity						
Reserve transfer on exercising of share options	-	-	(1)	-	1	-
Share based payment charge	-	-	283	-	-	283
Issue of shares	-	14	-	-	-	14
Total transactions with owners	**-**	**14**	**282**	**-**	**1**	**297**
At 30 September 2021 (unaudited)	**71**	**6,444**	**286**	**(241)**	**3,214**	**9,774**

ActiveOps plc

Notes forming part of the interim financial statements for the period ended 30 September 2021

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. 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 Interim financial report for the six months ended 30 September 2021 has been prepared on the basis of the accounting policies expected to be adopted for the year ended 31 March 2022. These are in accordance with the accounting policies as set out in the Group's last annual consolidated financial statements for the year ended 31 March 2021.

The Interim financial report has been prepared on a going concern basis and in accordance with the presentation, recognition and measurement criteria of UK-adopted International Accounting Standards.

The financial information in the Interim financial report does not constitute statutory accounts, within the meaning of section 434 of the Companies Act 2006, for the six months ended 30 September 2021 and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 March 2021. The consolidated financial statements for the year ended 31 March 2021 have been filed with the Registrar of Companies, were unqualified and did not contain statements under Section 498 (2) or (3) of the Companies Act 2006.

All figures presented are rounded to the nearest thousand, unless stated otherwise.

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 interim financial statements. During the period, the Group has retained a significant cash balance. This ensures that the business remains financially robust, with strong prospects for the future.

In light of the Covid-19 outbreak, 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 the interim financial statements, they are confident that sufficient funding is available to support ongoing trading activity and investment plans for the business. The interim financial statements have therefore been prepared on a going concern basis.

3. Revenue

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

A disaggregated geographical split of revenue by operating segment is shown below between Europe, the Middle East, India and Africa ('EMEIA'), North America and Australia. All revenue streams are recognised over time.

Six months ended 30 September 2021	SaaS £000	T&I £000	Total £000
EMEIA	4,982	1,171	6,153
North America	2,462	217	2,679
Australia	2,144	475	2,619
	9,588	**1,863**	**11,451**

Six months ended 30 September 2020	SaaS £000	T&I £000	Total £000
EMEIA	4,506	653	5,159
North America	2,002	83	2,085
Australia	2,080	92	2,172
	8,588	**828**	**9,416**

4. 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. 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 3.

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

Six months ended 30 September 2021	SaaS £000	T&I £000	Total £000
Revenue	9,588	1,863	11,451
Cost of sales	(1,468)	(825)	(2,293)
	8,120	**1,038**	**9,158**

Six months ended 30 September 2020	SaaS £000	T&I £000	Total £000
Revenue	8,588	828	9,416
Cost of sales	(1,378)	(405)	(1,783)
	7,210	**423**	**7,633**

5. Taxation

	Six months ended 30 September 2021 £000 Unaudited	Six months ended 30 September 2020 £000 Unaudited
Current income tax		
Foreign current tax on profit for the current period	36	(54)
Foreign current tax on profit for the prior period	2	157
Deferred tax		
Origination and reversal of timing differences	(32)	(71)
Total tax charge	**6**	**32**

	Six months ended 30 September 2021 £000 Unaudited	Six months ended 30 September 2020 £000 Unaudited
Loss before tax	(991)	(421)
Tax at domestic rate of 19% (2020: 19%)	(188)	(80)
Effect of:		
Expenses that are not deductible in determining taxable profit	21	(15)
Deferred tax not recognised	185	(8)
Adjustments in respect of prior periods	2	157
Effect of other tax rates	(14)	(22)
Total tax charge	**6**	**32**

6. Earnings per share

	Six months ended 30 September 2021	Six months ended 30 September 2020	Year ended 31 March 2021
	Unaudited	Unaudited	Restated
Loss on continuing activities (£000)	(997)	(453)	(2,791)
Profit on discontinued activities (£000)	-	1,357	11,783
Weighted average number of shares in issue in the period	71,334,942	57,720,180	57,840,821
Basic and diluted (loss) / earnings per share *(March 2021 restated)*			
Continuing operations	(1.40p)	(0.78p)	(4.83p)
Discontinued operations	0.00p	2.35p	20.37p
Total	**(1.40p)**	**1.57p**	**15.54p**

The earnings per share for the year ended 31 March 2021 were misstated in the 2021 annual report and accounts 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.

7. Trade and other receivables

	At 30 September 2021	At 31 March 2021
	£000 Unaudited	£000 Audited
Trade receivables	3,779	3,167
Prepayments and accrued income	897	1,046
Other receivables	1,410	1,623
	6,086	**5,836**

The Directors consider the carrying value of trade and other receivables to be approximately equal to their fair value. Other receivables includes an amount of £1.3m (March 2021: £1.3m) held in escrow relating to the sale of OpenConnect in October 2020.

	At 30 September 2021	At 31 March 2021
	£000 Unaudited	£000 Audited
Trade receivables from contracts with customers	3,808	3,194
Less loss allowance	(29)	(27)
	3,779	**3,167**

Trade receivables are amounts due from customers for 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.

Included within prepayments and accrued income is the following accrued income and contract assets:

	At 30 September 2021 £000 Unaudited	At 31 March 2021 £000 Audited
Accrued income	287	583
Contract assets	146	242

8. Trade and other payables

	At 30 September 2021 £000 Unaudited	At 31 March 2021 £000 Audited
Trade payables	283	689
Other taxation and social security	1,026	4,524
Other payables	3	101
Accruals and deferred income	10,579	11,494
	11,891	**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.

At 31 March 2021 Included within other taxes 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, and was paid to HMRC in April 2021. This unpaid tax has significantly impacted the change in trade and other payables in the consolidated statement of cashflows as shown for the year ended 31 March 2021 and the period ended 30 September 2021.

Included within accruals and deferred income is the following contract liabilities:

	At 30 September 2021 £000 Unaudited	At 31 March 2021 £000 Audited
Contract liabilities	7,668	8,423