29 November 2022

ActiveOps Plc

(“ActiveOps”, the “Company, “the Group”)

Interim Results for the six months ended 30 September 2022

ActiveOps plc (AIM: AOM), a leading provider of Management Process Automation (MPA) software for running hybrid and global back-office operations, is pleased to announce its unaudited results for the six months ended 30 September 2022.

Financial Highlights:

Six months ended 30 September	**H1 FY23**	**H1 FY22**	**Change**
Annual recurring revenue “ARR”[1]	£22.1	£19.8m	+12%
Total Revenue	£12.3m	£11.5m	+7%
Software & Subscription revenue	£10.9m	£9.6m	+14%
Training & Implementation “T&I” revenue	1.4m	£1.9m	-26%
Gross margin	81%	80%	+1pt
Adjusted EBITDA[2]	£0.3m	(£0.2m)	-
Profit/(loss) before tax	(£0.5m)	(£1.0)m	+50%
Earnings per share on continuing operations	(0.99)p	(1.40)p	+29%
Net cash and cash equivalents	£11.0m	£10.9m	+1%

- ARR[1] growth of 12%, or 7% at constant currency
- Net Revenue Retention at 109% on an annualised basis, following multiple customer expansion deals and improved customer retention rates
- Software & Subscription revenue up 14% year-on-year, T&I revenue down slightly in absolute terms, reflecting the timing of contracts, with the Board confident this revenue will be in line with prior periods for the year
- Gross margins remain strong at 81%, supported by the ongoing efficiency of the remote delivery model
- Adjusted EBITDA positive, reflecting a mix of careful cost control, timing of investment and favourable currency conditions
- Cash conversion negative in the period due to seasonality of renewals cycle. Expected to move to a positive position before year end with significant renewals in H2
- Balance sheet remains debt free with £11.0m cash in the bank (H1 FY22: £10.9m), increasing to £13.0m at 28 November 2022

Operational Highlights

- Added three new customers and signed twelve significant expansion deals, with nine out of ten of the Group’s top ten accounts expanding usage of ActiveOps products
- Launch and first contract win for new CaseworkiQ offering, worth £0.6m in incremental Annual Recurring Revenue. Established a solid pipeline of CaseworkiQ opportunities within the existing customer base
- Newly established data science function continues to deliver against its ambitious AI/Machine Learning product roadmap with new product capabilities to be released by the end of the financial year

Outlook

- Trading in the second half has begun well keeping the Company firmly on target to be run-rate EBITDA positive at the end of this financial year
- With a number of contract wins and expansion deals on the horizon and an expanding product offering the Board looks to the future with confidence

Footnote to Financial highlights

The above non-GAAP measures are unaudited

1. Annual Recurring Revenue – unaudited
2. Adjusted EBITDA is used by management to assess the trading performance of the business. Defined as Operating profit before depreciation, amortisation, share-based payment charges and exceptional items and includes FX differences.

Richard Jeffery, Chief Executive Officer of ActiveOps plc, commented:

"The first half of FY23 has seen the Group continue to perform well, securing new customer wins and substantial expansion deals, resulting in strong growth in SaaS revenues.

"Based on our historical performance in challenging times, the proven track record of our offering, its ability to find hidden capacity and optimise costs, we firmly believe our solutions will play an integral role in helping new and existing customers deal with the challenges posed by a recession."

"Our high levels of recurring revenue and a robust balance sheet mean we are well placed to mitigate potential economic headwinds while continuing to invest in the business and execute our growth plans. With a number of contract wins and expansion deals on the horizon as planned, and an expanding product offering, we look to the future with confidence."

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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 its MPA software products 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.

As at 30 September 2022, the Group has 180 employees, serving its global customer base of over 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.

CEO STATEMENT

I am pleased to report on a period of continued growth, with the Group trading in line with the Board's expectations for the full year. We continue to execute on our land and expand sales strategy to grow our customer base by extending the range of products used by existing customer environments as well as expanding into new areas. The success of the approach is evidenced in the signing of new WorkiQ and ControliQ customers during the period, generating a significant opportunity to cross sell, alongside substantial expansion deals across our product offering and territories. The newly launched CaseworkiQ product has already proven its ability to open-up new environments within our existing customers, including the signing of our first major CaseworkiQ contract with a leading UK banking customer, demonstrating the scale of the upsell opportunity. A pipeline of opportunities for CaseworkiQ has been established and is growing both for existing and new customers.

The investments we made in FY22 have allowed us to continue to deliver against our ambitious product roadmap, with a focus on the introduction of Machine Learning capabilities which further enhance the efficiency and engagement benefits of our solutions. We remain committed to developing cutting edge technologies which make a tangible difference to the performance of our customers as they navigate the ever-changing world of work. In an uncertain macro-economic environment ActiveOps provides large organisations with the ability to optimise their staff costs and find hidden capacity amongst their teams. We are confident that the solutions we provide continue to resonate amongst our target customers and believe we are well positioned to help companies mitigate the impact of an anticipated economic down turn, as demonstrated by our successful performance during previous times of recession.

Strong financial performance

New customer wins together with substantial expansion deals with existing customers have resulted in strong growth in SaaS revenues of 14% to £10.9m, driving a 12% growth in exit Annual Recurring Revenue (ARR) to £22.1m (September 2021: £19.8m) and demonstrating the strength of the Group's recurring revenue business model. Overall Group revenue grew 7% in the period to £12.3m (H1 2021: £11.5m), with the strong SaaS performance marginally offset by a small decline in Training and Implementation revenues in the period, due to the volatility of this revenue, timing of contract signings, and implementation timeframes. The Board is confident that T&I revenue will return to prior levels for the full financial year, aided by customer signings since period end, including a record T&I sale, although these will still be subject to delivery timings. The Group delivered a stronger than expected profit performance, marginally above breakeven at the adjusted EBITDA level (H1 2021: loss (£0.2m), largely reflecting the positive impact of currency movements in the period and continued careful cost-management.

The business remains well funded with a closing cash balance of £11m, providing us with a strong base from which to execute our investment roadmap, making considerable advances in areas of artificial intelligence (AI) and automation, that allows the Group to remain at the forefront of the market.

Growing market opportunity

Our growth opportunity given the current economic climate, continued trend towards hybrid-working and the resulting increase in the requirement for our offering, underpins our prospects as a business. With a recession on the horizon, organisations will need to achieve more with their current or perhaps reduced capacity, as well as respond quickly to unusual fluctuations in customer demand and behaviour.

Our solutions have a demonstrable track record of delivering rapid, sustainable performance improvements for our customers. Customers typically achieve a productivity improvement of 15% or higher, which for an organisation with 20,000 staff in back-office roles, represents creation of capacity equivalent to 2,600 full-time equivalent (FTE) staff members. Our software also increases agility and resilience in our customers' operations, capabilities which are crucial in the maintenance of exceptional customer service during turbulent periods, when the volume and nature of workloads can fluctuate in very unusual ways.

Unlike many of the initiatives organisations can undertake to increase efficiency and release capacity, deployment of ActiveOps solutions is quick and low risk as it does not require modification of business processes or major technology change. Adoption rates of Management Process Automation technology are also relatively low in operations today, meaning many organisations still have this rapid and safe means of efficiency gains available to them.

Our experience during the last severe economic downturn was that demand for our offering increased significantly as organisations sought solutions which offered rapid and sustainable performance improvements. From January 2008 through to December 2010 the number of paying users of our software grew sixfold as we signed major new customers in both APAC and EMEIA and landed our first North American customers, which have now expanded to be enterprise scale users.

While we know that our offering resonates in turbulent times, we are also aware of the impact an economic downturn might have on the buying processes of our customers, which will likely become more protracted. However, based on our historical performance, the proven track record of our offering and the growing interest we are seeing across our products, we firmly believe our solutions will play an integral role in helping new and existing customers deal with the challenges posed by a recession.

Product development and innovation

The development of our product offering has continued to accelerate in the first half of the year, in line with our stated product road map. The innovations we have made across the product suite will provide customers with increasingly sophisticated tools that are able to help manage the growing complexity of the back-office and differentiate us from competitors.

ControliQ

Developments to our cloud delivered workforce optimisation tool, ControliQ were made across the period with a particular focus on new reporting/insight for senior managers overseeing large operations. The major focus of our current development effort and roadmap for the remainder of the financial year is the launch of several new features which harness the power of Machine Learning (ML).

This is cutting edge technology which will help our customers further increase the performance benefits from using our solutions, whilst also reducing the time and effort needed to operate our software. Smart Planning, our first ML powered capability, eliminates the time and thought required by team leaders to build their plans, and increases the accuracy of the plans produced, leading to further increases in performance. Smart Planning will be quickly followed by Skills Management, the automatic determination of available skill levels across the back office, making it simple to identify training requirements and utilise shared skills across departments. Prototypes of both have been tested with existing customers with extremely positive results. A focus for the remainder of FY23 is making these features ready for general release.

WorkiQ

The evolution of WorkiQ continued in the first half of the year with a focus on enhancements requested by existing users. Ongoing developments include new reports/insights and creation of a fully cloud hosted version.

CaseworkiQ

The Group's latest offering, CaseworkiQ was launched during the period in response to the growing levels of complex case-based work in back-office operations. CaseworkiQ is already proving to be highly applicable within the existing customer base, presenting a considerable upsell opportunity including many highly regulated environments, where the pressure to act is significantly increased. An early contract-win worth approximately

£0.6m in incremental Annual Recurring Revenue (ARR) with a leading UK bank and existing ControliQ customer, clearly demonstrates the upsell potential of the product.

Growth of our customer base: Land & expand

We have identified a total addressable market for our solutions within our target markets of over £950m in ARR, expanding from £750m prior to the launch of CaseworkiQ, of which £90m relates to the cross and upsell of our solutions to our existing customers. We remain focussed on expanding our footprint in our existing customer base whilst delivering against our customer acquisition strategy, which is tightly focussed on banks, insurers and BPOs in our target geographies.

The Group secured three new customers in the first half and twelve significant customer expansion deals. Performance was particularly strong in the Asia Pacific and EMEIA regions. Retention rates remain strong across all territories, as the transition to hybrid working continues to reinforce demand for workforce management solutions and data-driven management.

Sales and Marketing

We were delighted to welcome Bhavesh Vaghela to the Group in the period, as Chief Marketing Officer, a senior marketing executive with over 20 years of experience providing strategic leadership, marketing, sales and operations in technology markets.

Our recent annual customer conference Capacity 22 – '*Do more with less during turbulent times*', was held on 12 October at The Science Museum and brought together customers, partners and industry commentators. Attendance was more than double that of the previous year's event and the level of engagement from customer and prospects was exceptional. This signals the health of our market and the appreciation of the important role our solutions can play in helping operations thrive during what is likely to be challenging next period.

Alongside our direct sales activities, we continue to work with partners and extended our partnership with Microsoft in the Period, including integration of our products within Teams and securing top tier status as an ISV partner.

Focus for FY23

The significant investments that were made in the prior year in sales, R&D and marketing have provided us with the capability to successfully execute against our growth strategy. Our focus is on capitalising on these investments and converting the significant levels of existing pipeline.

We remain committed to delivering our exciting roadmap of innovations, with the launch of Smart Planning scheduled for the current quarter, and will continue to make considerable advances in the deployment of Artificial Intelligence (AI) and automation, providing customers with solutions to increasingly more complex issues.

These product innovations, together with the implementation of our refreshed marketing strategy will further establish our differentiation versus our competitors, increasing our ability to drive the expansion of the business and deliver results for our shareholders.

Confident Outlook

Trading in the second half has begun well, keeping the Company firmly on target to be run rate EBITDA positive at the end of this current financial year.

With products that are more relevant than ever, high levels of recurring revenue and a robust balance sheet, we are well placed to mitigate potential economic headwinds while continuing to invest in the business and execution of our growth plans. With a number of contract wins and expansion deals on the horizon as planned, and an expanding product offering we look to the future with confidence.

Richard Jeffery

Group Chief Executive Officer

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 profit 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 software licence fees along with small amounts of recurring support revenue where a customer has purchased an ongoing care package.

ActiveOps' ARR at 30 September 2022 totalled £22.1m (30 September 21 £19.8m), representing year-on-year growth of 12%, delivered through the expansion of our footprint in existing customer accounts and sales to new customers.

Total revenue for the Group at £12.3m (H1 FY21: £11.5m) was 7% ahead of the same period last year with recurring software and subscription revenues increasing by 14% to £10.9m (H1 FY22: £9.6m) on a reported basis.

Training and Implementation ('T&I') revenues at £1.4m (H1 FY22: £1.9m) were behind prior year primarily due to timing of implementations being delayed or extended by customers as well as slow T&I sales at the end of FY22 that meant that the pipeline of T&I work at the beginning of the first half of the year was lower.

Operating Profit and Margins

Gross margins stayed steady at 81% (H1 FY22: 80%). Software and Subscription margins were broadly flat at 84% (H1 FY22: 85%). T&I margins were strong at 59% (H1 FY22: 56%) 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, ControliQ and CaseworkiQ), the location of implementations (with higher cost jurisdictions delivering a higher margin), and the level of support required by ActiveOps coaches on each delivery. The period 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 and amortisation) increased by 4% to £9.7m (H1 FY22: £9.3m) with a significant foreign exchange gain on US Dollar's held in the company bank accounts. Investment made in sales, marketing and technology development in the prior year had a run rate impact on operating costs in the half. Wage inflation remains as expected with ongoing investment steadying into the second half.

Adjusted EBITDA was a positive £0.3m (H1 FY22: loss (£0.2m)), being ahead of management's expectations primarily due to the foreign exchange impact of translating bank balances to GBP.

Foreign Exchange

The Group has 53% (H1 FY22: 54%) of revenues invoiced in currencies other than GBP. Exchange rates have been volatile over the period with a strengthening of the US Dollar, Canadian Dollar and Australian Dollar versus sterling.

Product and Technology Expenditure

Total expenditure on product management, research, development and support in the year increased to £2.5m (H1 FY22: £2.0m) as investment made in FY22 rolled into the current year. Capitalised labour of £0.3m related to the development of new product features including smart planning and skills management features.

Depreciation & Amortisation

Depreciation & amortisation of £0.5m (H1 FY22: £0.5m) principally comprised intangible amortisation following the acquisition of the OpenConnect entity in 2019 and the Australian entities in 2017.

Taxation

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 £0.6m (H1 FY22: loss of £1.0m).

Earnings per Share

Basic Earnings per Share for continuing operations was a loss of 0.99p (H1 FY22: (1.40p)).

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 (£1.6m). The negative cashflow position in H1 is attributable to the phasing of renewals over the year with a significant level of renewals expected in the second half of the year and the timing of payments of annual in advance bills significantly impact the cash position at 30 September 2022. The Group issued invoices totalling £2m in the last week of September 2022 and first week of October 2022 and had cash of £13.0m at 28 November 2022.

Balance Sheet

The Group has maintained a strong balance sheet position with a net cash position of £11.0m (H1 FY22: £10.9m) and net assets at 30 September 2022 of £8.3m, (30 March 2022: £8.5m).

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

28 November 2022

ActiveOps plc

Consolidated statement of profit and loss and other comprehensive income for the period to September 2022

	Notes	Six months ended 30 September 2022 £000 Unaudited	Six months ended 30 September 2021 £000 Unaudited
Revenue	3	**12,291**	**11,451**
Cost of sales	4	(2,288)	(2,293)
Gross profit		**10,003**	**9,158**
Administrative expense excluding share options charges, depreciation, amortisation and exceptional items		(9,662)	(9,332)
Administrative expense - share option charges only		(390)	(283)
Administrative expense - depreciation and amortisation only		(523)	(503)
Operating loss		**(572)**	**(960)**
Finance income		2	1
Financing costs		(36)	(32)
Loss before taxation		**(606)**	**(991)**
Taxation	5	(104)	(6)
Loss for the year from continuing activities		**(710)**	**(997)**
Profit for the year from discontinued activities, net of tax		-	-
(Loss) / profit for the period		**(710)**	**(997)**
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations		120	(37)
Total comprehensive (loss) / income for the period attributable to the owners of the parent company		**(590)**	**(1,034)**
Basic and diluted (loss) / earnings per share	**6**	**(0.99p)**	**(1.40p)**

ActiveOps plc

Consolidated statement of financial position

	Notes	At 30 September 2022 £000 Unaudited	At 31 March 2022 £000 Audited
Non-current assets			
Intangible assets		5,823	5,461
Property, plant and equipment		182	199
Right-of-use assets		493	564
Deferred tax assets		270	270
Total non-current assets		**6,768**	**6,494**
Current assets			
Trade and other receivables	7	3,937	3,754
Corporation tax recoverable		-	-
Cash and cash equivalents		10,976	13,753
Total current assets		**14,913**	**17,507**
Total assets		**21,681**	**24,001**
Equity			
Share capital		71	71
Share premium account		6,444	6,444
Share option reserve		956	566
Foreign exchange reserve		77	(43)
Retained earnings		770	1,480
Total equity		**8,318**	**8,518**
Non-Current liabilities			
Lease liabilities		424	501
Provisions		114	97
Deferred tax liabilities		1,031	1,049
Total non-current liabilities		**1,569**	**1,647**
Current liabilities			
Trade and other payables	8	11,669	13,697
Lease liability		125	139
Total current liabilities		**11,794**	**13,836**
Total equity and liabilities		**21,681**	**24,001**

ActiveOps plc

Consolidated statement of cash flows

	Notes	Six months ended 30 September 2022 £000 Unaudited	Six months ended 30 September 2021 £000 Unaudited
(Loss) / profit after tax		**(710)**	**(997)**
Taxation		104	6
Finance income		(2)	(1)
Financing costs		36	32
Operating (loss) / profit		**(572)**	**(960)**
Adjustments for:			
Depreciation property, plant and equipment		64	76
Depreciation right-of-use asset		72	90
Amortisation of intangible assets		387	337
Share option charge		390	283
Change in trade and other receivables	7	183	(283)
Change in trade and other payables	8	(2,028)	(4,867)
Cash (used in) / from operations		**(1,504)**	**(5,324)**
Interest paid		(13)	(32)
Taxation paid		(129)	(78)
Net cash used in operating activities		**(1,646)**	**(5,434)**
Investing activities			
Purchase of property, plant and equipment		(40)	(49)
Purchase of software		(316)	-
Interest received		2	1
Net cash used in investing activities		**(354)**	**(48)**
Financing activities			
Proceeds from issue of shares		-	15
Repayment of lease liabilities		(111)	(135)
Repayment of bank borrowings		-	-
Net cash used in financing activities		**(111)**	**(120)**
Net change in cash and cash equivalents		(2,111)	(5,602)
Cash and cash equivalents at beginning of the period		13,753	16,617
Effect of foreign exchange on cash and cash equivalents		(666)	(100)
Cash and cash equivalents at end of the period		**10,976**	**10,915**

ActiveOps plc

Consolidated statement of changes in equity

	Share capital £000	Share premium £000	Share option reserve £000	Foreign exchange reserve	Retained earnings	Total £000
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**
At 31 March 2022 (audited)	**71**	**6,444**	**566**	**(43)**	**1,480**	**8,518**
Loss for the period	-	-	-	-	(710)	(710)
Exchange differences on translating foreign operations	-	-	-	120	-	120
Total comprehensive loss for the period	**-**	**-**	**-**	**120**	**(710)**	**(590)**
Transactions with owners, recorded directly in equity						
Share based payment charge	-	-	390	-	-	390
Total transactions with owners	**-**	**-**	**390**	**-**	**-**	**390**
At 30 September 2022 (unaudited)	**71**	**6,444**	**956**	**77**	**770**	**8,318**

ActiveOps plc

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

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 2022 has been prepared on the basis of the accounting policies expected to be adopted for the year ended 31 March 2023. 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 2022.

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 2022 and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 March 2022. The consolidated financial statements for the year ended 31 March 2022 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.

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

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 2022	SaaS £000	T&I £000	Total £000
EMEIA	5,470	984	6,454
North America	3,013	21	3,034
Australia	2,455	348	2,803
	10,938	**1,353**	**12,291**

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**

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.

Six months ended 30 September 2022	SaaS £000	T&I £000	Total £000
Revenue	10,938	1,353	12.291
Cost of sales	(1,732)	(556)	(2,288)
	9,206	**797**	**10,003**

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**

5. Taxation

	Six months ended 30 September 2022 £000 Unaudited	Six months ended 30 September 2021 £000 Unaudited
Current income tax		
Foreign current tax on profit for the current period	123	36
Foreign current tax on profit for the prior period	-	2
Deferred tax		
Origination and reversal of timing differences	(19)	(32)
Total tax charge	**104**	**6**

	Six months ended 30 September 2022 £000 Unaudited	Six months ended 30 September 2021 £000 Unaudited
Loss before tax	(606)	(991)
Tax at domestic rate of 19% (2021: 19%)	(115)	(188)
Effect of:		
Expenses that are not deductible in determining taxable profit	17	21
Deferred tax not recognised	232	185
Adjustments in respect of prior periods	-	2
Effect of other tax rates	(30)	(14)
Total tax charge	**104**	**6**

6. Earnings per share

	Six months ended 30 September 2022 Unaudited	Six months ended 30 September 2021 Unaudited
Loss on continuing activities (£000)	(710)	(997)
Profit on discontinued activities (£000)	-	-
Weighted average number of shares in issue in the period	71,364,180	71,334,942
Basic and diluted (loss) / earnings per share	**(0.99p)**	**(1.40p)**

7. Trade and other receivables

	At 30 September 2022 £000 Unaudited	At 31 March 2022 £000 Audited
Trade receivables	3,034	2,723
Prepayments and accrued income	824	953
Other receivables	79	78
	3,937	**3,754**

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

	At 30 September 2022 £000 Unaudited	At 31 March 2022 £000 Audited
Trade receivables from contracts with customers	3,080	2,770
Less loss allowance	(46)	(47)
	3,034	**2,723**

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.

8. Trade and other payables

	At 30 September 2022 £000 Unaudited	At 31 March 2022 £000 Audited
Trade payables	6	1,326
Other taxation and social security	794	815
Other payables	7	3
Accruals and deferred income	10,862	11,553
	11,669	**13,697**

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.