ActiveOps

See further.
Know more.
Move faster.

Annual Report and Accounts 2021

We are a **market leader**

ActiveOps is a leader in Management Process Automation (MPA) providing a 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.

Highlights of 2021

Annual Recurring Revenue at year end[1]

£18.3m
2020: +7%

Software and Subscription Revenue

£17.8m
2020: +10%

Gross Margin

£16.7m
2020: +10%

Adjusted EBITDA[2]

£0.4m
2020: Loss (£1.0m)

Adjusted EBITDA Cash Conversion %[3]

350%
2020: 266%[4]

Cash Balance

£16.6m
2020: £4.1m

Financial Highlights

- Strong ARR growth despite Covid-19 pandemic.
- Net Revenue Retention at 104% (2020: 110%).
- 10% growth in Software and Subscription revenue.
- Training & Implementation (T&I) revenues fell in first half as the uncertainty created by Covid-19 lock-downs delayed change programmes and implementations. T&I revenues recovered in the second half of the year.
- Adjusted EBITDA moved to a profitable position of £0.4m (FY20 Loss: £1.0m) by management of cost base in line with revenue growth.
- Successful sale of non-core assets from OpenConnect acquisition in 2019 delivered £11.8m profit from the sale and discontinued operations.
- Ended the year with a strong balance sheet with cash of £16.6m[4] at 31 March 2021.

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 exchange differences.
3 Adjusted EBITDA Cash Conversion % excludes £3.5m of IPO employee share option taxes received prior to the year end and paid to the tax authorities in April.
4 YE21 Cash balance includes IPO Share Option Employee taxes received @ YE of £3.5m, paid in April 2021.

Operational Highlights

- Added 11 new customers globally with wins in all key regions and targeted industries.
- Added 6 new customers and delivered SaaS revenue growth of 48% in the important North American market.
- Divested OpenConnect subsidiary, retaining strategically important WorkiQ software and US healthcare administration customer base.
- Significant product innovation, including the complete re-platforming of core software, resulting in the launch of ControliQ and integration of WorkiQ to create our next generation platform, Workware+.
- Launched OpsIndex – unique operations performance benchmarking service enabling customers to make comparisons between their own operations and those of their peers.
- Responding to the Covid-19 pandemic, updated our Training and Implementation (T&I) approach to enable fully remote customer deployments with no reduction in benefits delivered.
- Successful IPO on the London Stock Exchange in March 2021.

We are a global strategic partner

About Us: What we do and where we do it.

04

14

We are constantly focused on delivering

CEO Statement: A strong set of results and a year of considerable achievements.

We are built on expertise

Our Strategy: To deliver ever more strongly on our purpose of simplifying the running of operations.

22

Strategic Report

Governance

Financial Statements

Supplementary Information

discover more at activeops.com

WE ARE A GLOBAL STRATEGIC PARTNER

Strategic Report

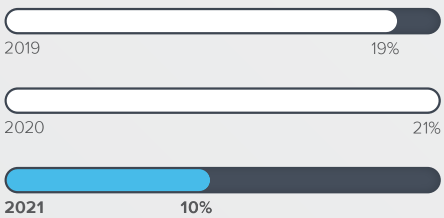
We are a **global strategic partner**

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 deliver millions of critical transactions processed each year in their back-office operations.

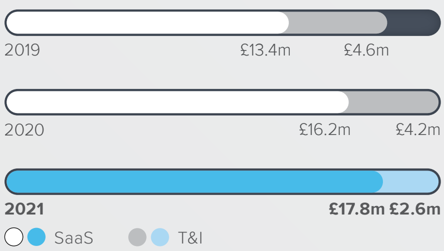
Who we are

ActiveOps provides a SaaS platform to organisations with large, complex and often global operations. 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.

SaaS Revenue Growth



Total Revenue



What we do

The Group's software products augment and automate critical operations management activities for forecasting, planning and controlling performance in the back-office. These products, underpinned by the Group's market leading operations management methodology, improve the effectiveness of operations managers and their decision making thus improving efficiency, productivity, consistency and service level delivery. This enables the Group's customers to create more adaptable and agile operations, capable of balancing the variability in work and capacity more successfully and realising the full potential of new digital resources and automation technologies such as robotic process automation (RPA) and artificial intelligence (AI).

ActiveOps enables organisations around the world to efficiently and effectively 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 largest organisations in these industries who recognise the strategic value of a consistent operations management solution deployed across the whole enterprise.

Our products

Our enterprise solution comprises Workware+, our Management Process Automation (MPA) software platform, and AOM, our operations methodology and framework for effective back-office management.

The Workware+ platform consists of three components:

- **ControliQ** – our cloud delivered back-office workforce optimisation software which enables organisations to accurately balance workloads and resource levels across all functions of their operations.
- **WorkiQ** – our workforce analytics and employee productivity monitoring solution which enables organisations to manage productivity and employee wellbeing.
- **OpsIndex** – our benchmarking capability which allows customers to compare the performance of their operations both within their own enterprise and with geographical and industry peer groups.

AOM is a method and detailed cycle of management activities which provides a 'best practice' approach to operations management by creating repeatability and consistency. AOM is enacted by the products in the Workware+ platform and supported by an extensive set of training and coaching offerings.

Read more about our products on **page 08**

Where we do it

We employ 170 people based in 7 offices, covering 5 different continents. Our 81 enterprise customers have more than 100,000 users of our software located in 40+ countries.

Individual software users

>100,000

Users in more than

40
countries globally

Staff

170
7 global offices on 5 continents

Customer activities

2.5bn
tracked by our software each year

Customer employee capacity

100m
hours managed each year

Enterprise customers

81

Implementations

32
delivered during FY21

Nationalities

16
represented in the ActiveOps team

Our global reach

Our Journey

We are bringing our future into focus

Since its incorporation in 2005, ActiveOps has delivered consistent growth, establishing subsidiaries in the USA, South Africa, India and Australia. Selective acquisitions have expanded the product portfolio and provided access to key markets. Our IPO in 2021 is crucial to our next stage of growth, providing further credibility in the eyes of the major enterprises we work with.

2011

- Winner of Queen's Award for International Trade.

Investment and scaling-up (2014-2019)

2014

- Calculus Capital invests to fuel growth.
- Acquired competitor RedOwl.

2016

- Established a US-based division to directly target the North American market and novated existing customers from franchise partner.

2017

- Australia reseller acquired.

2019

- Acquired US-based OpenConnect.

Genesis of ActiveOps (Pre-2005)

1995

- Early versions of the Workware software and AOM method were developed by ActiveOps founders as partners in consulting firm OCP.

Incorporation of ActiveOps and initial expansion (2005-2013)

2005

- ActiveOps founded as a pure-play operations management software supplier.
- Cloud-based version of software released with consumption-based commercials.
- Scalable deployment framework and collateral set developed.
- Asia Pacific reseller established in Australia.

2007

- ActiveOps buys in OCP shareholding.
- The Academy online training and certification offering launched.

2010

- ActiveOps expands via subsidiaries in India and South Africa.
- North American franchise established.

Platform for next phase growth (2020 and beyond)

2020

- Covid-19 pandemic highlights the need for many organisations to enhance operational control.
- Deployment process and collateral updated to support fully remote rollout.
- Divested non-core products acquired with OpenConnect.
- Launch of next generation Workware+ platform including WorkiQ.
- Launch of OpsIndex benchmarking offering.

2021

- ActiveOps PLC listed on the London Stock Exchange.

We ensure 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 annually. 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 ActiveOps Management Process Automation offering

The Group's software products augment and automate critical operations management activities for forecasting, planning and controlling performance in the back-office. These products, underpinned by the Group's market-leading operations management methodology, improve the effectiveness of operations managers and their decision making thus improving efficiency, productivity, consistency and service level delivery. This enables the Group's customers to create more adaptable and agile operations, capable of balancing the variability in work and capacity more successfully and realising the full potential of new digital resources and automation technologies such as robotic process automation (RPA) and artificial intelligence (AI).

Our enterprise solution comprises Workware+, our 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 intellectual property behind both Workware+ and AOM has been developed and refined over two decades by the ActiveOps management team, who are among the leading authorities in back-office operations management.

The Workware+ platform consists of the following components:

- **ControliQ:** the Group's cloud delivered workforce optimisation software. It consolidates data from the multitude of systems used in a typical back-office setting to provide managers with comprehensive, real-time data to support the management of operations performance and provides forecasting and planning functionality.
- **WorkiQ:** the Group's employee productivity monitoring (EPM) software which analyses a user's interaction with their PC and the applications running on it to provide insights into how their time is spent and the outcomes achieved.
- **OpsIndex:** the Group's benchmarking capability which allows customers to compare the performance of their operations within their own enterprise and with their geographical and industry peer groups.

Workware+ software platform

workware+®

All resources/work

Office-based employees

Remote workers

Robots

ControliQ

Back-office workforce optimisation

- Automated data consolidation and cleansing.
- Comprehensive reports and dashboards.
- Forecasting, planning and real-time control.
- Increases productivity. Enables capacity to be utilised in the most effective manner.

WorkiQ

Employee productivity monitoring

- Automated time and activity capture via desktop monitoring.
- Visibility of working hours, applications used, time per activity.
- See and manage use of time. Identify best practices and training needs.
- Increases proportion of time spent on priority work.

OpsIndex

An operational performance score and benchmark index

- Identify performance improvements.
- Community benchmarking across ActiveOps customers, regions and industries.

Workware+ software platform features

Implementation	Easily implemented, often with no involvement from the customer's IT team. The software and management tools are typically operational within weeks.
Automation	Automates previously manual management activities, such as forecasting, planning and production of evidence for performance review meetings. Improves accuracy, effectiveness and reduces management effort.
Data capture and consolidation	Workware+ creates a unique dataset by bringing together for the first time data relating to all types of work and combining it with details of the working time of all resources spent. Data is captured via APIs, interfaces and desktop monitoring/mining.
Workload and workforce insights	Workware+ is pre-configured with the dashboards, reports and metrics required to fuel the AOM method. Managers at all levels immediately have accurate and meaningful management information.
Forecasting and planning tools	Workware+ helps managers predict future workloads, plan for optimal use of the available skills/capacity, set objectives and targets, drive performance improvement and make longer term resourcing decisions.
Real-time control	Real-time assessment of operations status against plan means managers can see deviations from expected outcomes and performance levels in time to take corrective action.
Business outcome measurement	Complete visibility of all work and capacity across an operation means Workware+ can provide insight into the effort and cost to process key business outcomes (e.g. processing a claim in an insurance company can be accurately measured and tracked).
Benchmarking tools	The huge variety of processes and lack of standard process definitions makes benchmarking back-office operations performance challenging. ActiveOps' benchmark metrics are agnostic to underlying processes, enabling direct comparison between different businesses and activities.

Nationwide Building Society

ControliQ ΛOM

Nationwide is the world's largest building society as well as one of the largest savings providers and the second largest mortgages provider in the UK.

The Challenge
Nationwide believed that significant skilled capacity could be freed from existing operations to focus on delivering their aim of 'legendary customer service'.

The opportunity lay in breaking down the silos within their operations, cross-training and sharing skilled resources. To do that, Nationwide needed to take a leap forward in operational management capability.

The Solution
Nationwide chose ActiveOps to provide new intuitive tools and proven training to help their people to raise their game to market-leading standards.

ControliQ software and the AOM method were deployed across the bank's operations and are now used by more than 2,500 users.

A joint ActiveOps/Nationwide team configured ControliQ and trained managers in its use and the AOM method in ten-week implementation waves.

Outcomes
A 10% increase in operations productivity.

Radical improvement in the ability to 'load balance' between teams, share best practice, and identify skills training opportunities.

Transformed the capability to deal with major fluctuations in work volumes, such as ISA season.
160,000 hours of capacity flexed between teams in the first year, ensuring the right skills are always available to ensure legendary customer service.

"We are much more agile now. The programme has transformed our culture and empowered our people. We give our customers a better service and there is less stress."

Suzanne Avent,
Senior Operations Manager,
Operations & Delivery

AOM methodology
AOM is a methodology and detailed cycle of management activities which creates a 'best practice' approach to operations management by creating repeatability and consistency. It leverages the unified data set generated by Workware+ to help operations managers deliver sustained performance improvement across their organisations.

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 principle that high levels of performance are achieved by an active and collaborative approach to capacity planning which creates an optimal, even pace of work that makes best use of available resources. As part of ActiveOps' training and implementation programmes, customer operations managers are trained and coached to operate the AOM method which is orchestrated by the Workware+ platform.

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. Workware+ 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 configure the Workware+ platform, 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. This approach has been successfully utilised during the Covid-19 pandemic.

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 up capacity to improve service level delivery, 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 operational risk reduction as a result of improved operational control and ability to manage disruption.
- Enablement of digital transformation, automation and other change agendas. ActiveOps provides vital quantification to plan transformation initiatives and 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.
- Work from home enablement. ActiveOps provides vital data and an operating rhythm to ensure home working is as effective as in-office work.
- A balanced and engaging working environment for staff. Workware+ and AOM ensure workloads are equitable between teams, create opportunities for cross skilling and ensure employees are motivated to achieve stretching but fair goals.

Bendigo and Adelaide Bank

ControliQ AOM

Bendigo and Adelaide Bank is Australia's fifth largest retail bank, with more than 7,200 staff helping its 1.85 million customers to achieve their financial goals.

The Challenge
The bank's operations management wanted to create a more flexible and transparent workforce, enabling people to work remotely and improve their work/life balance.

The Bank's Team Leaders also required a way to effectively measure and manage productivity.

The Solution
Workware+ and AOM from ActiveOps was selected as it was deemed the most flexible solution available, capable of catering to a wide range of operations teams and able to work alongside existing business process management technologies.

The implementation of Workware+ was undertaken by the bank's own operations team, with support from ActiveOps when needed.

Outcomes

- Business benefits: productivity gains of up to 39%, enabling cross-utilisation of staff across brands and teams and greater investment in strategic initiatives. Increased employee satisfaction.
- Manager benefits: elimination of manual data entry, far greater visibility and transparency of performance delivered in real-time.
- Employee benefits: enabled adoption of home working and provided employees with greater autonomy.

TD Bank

ControliQ AOM

TD Bank, N.A., is an American national bank and subsidiary of the Canadian multinational Toronto-Dominion Bank. Toronto-Dominion Bank is a long-standing ActiveOps customer with close to 3,000 software users in multiple North American sites.

The challenge
In early 2020, the Retail Card Services operation began to feel the impacts of Covid-19, both on the availability of the workforce and on the work arriving.

Available employee capacity was reduced and work volumes fluctuated in unusual ways.

Rapid volume increases were experienced in many teams, which pre-ActiveOps would have led to unsustainable levels of overtime and missed service level targets.

The solution
Just nine months before the start of the Covid-19 pandemic, Retail Card Services deployed ControliQ and AOM, increasing productivity by 20% and creating an agile, data-driven management cycle which ensures capacity is shared between teams to meet demand.

Outcomes
When the department transitioned to home working, ControliQ provided uninterrupted visibility of workflow, use of time and performance.

As Covid-19 began to impact work volumes, ControliQ and AOM allowed managers to prioritise the most important work and redirect capacity to ensure these critical tasks were completed.

When work volumes stabilised, the same agility allowed capacity to be redeployed to quickly address backlogs of work in less critical processes.

Productivity dropped slightly during the initial transition to work from home, but rapidly returned to normal levels.

All service levels and regulatory compliance metrics were met throughout the period of disruption.

"When we brought ControliQ and AOM in during the summer of 2019 I was confident that it would allow us to work smarter. Once Covid-19 hit, we really saw the value. Our colleagues' lives were disrupted, we went to W@H, volumes changed but AOM was our GPS. It allowed us to navigate all these new hurdles, get back on track in just a few weeks, and then achieve even higher levels of production."

Tom Frosina,
Head of Retail Card Services Operations, TD Bank

Chairman's Statement
Sean Finnan, Chairman

We are credible and resilient

I am delighted to report on the progress of ActiveOps for the first time as a public company following the successful floatation on the London Stock Exchange in March 2021. I would like to thank our long-term shareholders for their ongoing support and welcome those who joined us at IPO and thereafter.

Our purpose and values

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.

This is underpinned by our core values:

- Global – in outlook, standards, customers and colleagues
- Expert – leadership by standing out from the crowd
- Authentic – to ourselves and about our commitments
- Collaborative – to leverage collective brilliance

Read more about the five pillars of our strategy on **page 22**

The transparency provided by a public listing adds further credibility to our offering as we interact with leading businesses around the world. The success of the Company's entry onto the public markets and the demand from leading institutional investors reflects the quality of the business and the opportunity ahead. The Board and management team look forward to delivering on the fantastic platform we now enjoy, for the benefit of our customers and all our stakeholders.

"It is clear to me that ActiveOps is in a powerful position with a proven and expanding proposition underpinned by loyal customers and an astonishing track record of success."

This has of course been a tremendously difficult year for many, both personally and professionally and our thoughts are with all those who have been impacted by the effects of the Covid-19 pandemic. For ActiveOps, the strong spirit of cohesion within our business, effective management practices and agility of our teams enabled rapid adjustment to the changing world around us. The entire team has performed with resilience and creativity throughout this difficult time, supporting our customers through the most unexpected change that any of us have had to experience in a long time, and for that I and the Board would like to thank each of them.

Financial performance

The resilience of the Group as a result of high levels of recurring revenues and high levels of customer retention was clearly seen this year. We are pleased to report the business delivered successfully against management expectations for the year, achieving SaaS revenue growth of 10% to £17.8m (FY20: £16.2m), with total revenue steady at £20.4m (FY20: £20.4m) and growth in adjusted EBITDA to a profitable position of £0.4m (2020: loss £1.0m) excluding the impact of costs associated with the IPO of £0.9m (2020: £0.4m) and share-based payments, with profit for the year of £9.1m (2020: loss £0.7m). Training & Implementation revenues were significantly impacted at the start of the Covid-19 period, due to the inability to be on-site with customers, but swift adaptation in approach meant these recovered to pre-pandemic levels in the second half.

These results underpin our confidence that ActiveOps is a very scalable business, with high margins and strong cash generation. With a significant opportunity ahead, the Board believes the right approach is to continue to invest in expanding our teams and capitalising on our strong reputation and valuable customer base to accelerate growth.

Operational achievements

Alongside the IPO, key events during the year included the disposal of the non-core assets within the OpenConnect business (acquired during the prior year) to Rocket Software, strengthening our balance sheet, and eliminating the need to raise primary capital for investment in the business through the IPO process. The value of the retained assets from the acquisition continue to grow, both as a result of the OpenConnect customers we retained and the broadening of our product set. It has enhanced our Workware+ platform through the addition of the WorkiQ offering, whose tools are particularly relevant in this new era of hybrid working which is a significant change from traditional working practices in the back-office. Overall, the Group continued to make excellent progress against all its strategic objectives.

Governance

From early in the Company's development, the management team has adopted a professional approach to all aspects of governance, running the business with an eye to being able to support expansion, ensuring depth of management and capacity to deal with crises or change in business operations that may occur. As a result, ActiveOps has both strong fundamentals and high levels of business oversight, two factors which ensured we were well placed to continue to service our customers to the highest degree during the transition to working from home and all the disruption that brought for our customers.

We were delighted to welcome Hilary Wright and Michael McLaren to the Board as Non-executive Directors at IPO. Both are highly experienced public company directors, who bring a strong knowledge base of the technology sector, governance, HR best practice and financial matters and are already proving valuable additional stewards of the Company and a pleasure to work alongside.

Diversity

Diversity of thought and employee engagement has always been an acknowledged element in the success of ActiveOps. Richard and the senior management team work hard to enable all team members to have a voice.

Climate change

Climate change is important to both us and our customers. In the latter part of this report, we detail information regarding our ongoing measures to reduce the carbon footprint of ActiveOps and activities in which we partake to ensure we are delivering a positive impact on our stakeholders and communities around us. One of the key initiatives in the year was the complete migration of our platform to Microsoft Azure, a carbon neutral environment. We will expand our reporting in areas of carbon reporting, diversity, equality and inclusion, and expect this to be in place by the 2022 AGM.

Looking ahead

The world of operations in our core sectors is only becoming more complex, more demanding, more regulated and more competitive. An increasing need for security, quality and better governance, the need to deliver excellent service at ever decreasing cost, and the need to rapidly implement change are all challenges increasingly being faced by the world's largest companies. These are all driving demand for Management Process Automation technologies to simplify and control these challenges.

The Covid-19 pandemic has only amplified and accelerated these challenges, forcing the introduction of working from home and highlighting the lack of embedded oversight within teams and visibility of workflows.

Given these changes, it is clear to me that ActiveOps is in a powerful position with a proven and expanding proposition a large addressable market underpinned by loyal customers and an astonishing track record of success.

Sean Finnan,
Chairman

CEO Statement
Richard Jeffery, Group Chief Executive Officer

We are constantly focused on delivering

The year to 31 March 2021 was one of considerable achievement for ActiveOps. We added to our global customer list, completed a divestment of non-core products acquired through OpenConnect, deployed the next generation of our Workware+ platform and completed a successful IPO on AIM.

A proven growth strategy

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 outsourcers. Our growth plan is built on the following pillars:

- Exploit the significant expansion potential in the existing customer base
- Continue to land new enterprise-grade customers
- Establish a dedicated Employee Productivity Monitoring go-to-market programme to capitalise on high interest levels
- Develop our partner eco-system to fuel growth and delivery scalability
- Pursue selective acquisitions which add technological capability or market penetration

Read more about the five pillars of our business strategy on **page 22**

The growth of our customer base from the beginning of the year, divestment of the non-core operations of OpenConnect, release of the next generation of our Workware+ platform and successful IPO were major programmes of work and so it is a huge testament to the hard work of our team that these achievements were delivered against the backdrop of the Covid-19 pandemic. As with so many businesses, our standard form of interaction with newly onboarded customers and prospects was restricted by the introduction of lock-down measures. ActiveOps responded with ingenuity and commitment, and within weeks we had adapted our implementation programmes to be delivered remotely and are proud to have delivered the same benefits to our customers as via on-site delivery. We also extended our offering by building digital adoption technology into the platform and were delighted to see increased engagement with our online training Academy, with over 21,000 customer employees having now successfully achieved their certifications in our methodology, Active Operations Management.

While Covid-19 reduced our Training and Implementation (T&I) revenue in the year and delayed the recognition of some of our associated SaaS revenue from customers, overall we see the move to more digitally enabled implementation as having long-term benefits for ActiveOps. These approaches provide even greater scalability in our offering while continuing to ensure our customers become experts in our methodology and use of Workware+ platform.

Robust financial performance

The Group reported revenue of £20.4m (2020: £20.4m) with a profit for the year of £9.1m (2020: loss £0.7m) in the year to March 2021. The strength of the Group's recurring revenue business model and strong cash generation was particularly evident this year, protecting the business to a large extent from the financial impacts of Covid-19. The Group once again delivered strong growth in SaaS revenues, reaching £17.8m, an increase of 10% on the prior year, offset to some extent by the lower SaaS and T&I revenue recognised from newly secured customers as Covid-19 delayed the completion of new sales. We are pleased to report that by Q4 our implementation activities had returned to normal levels. The change in our revenue mix benefited our gross margins, which combined with savings from reduced travel and lower sales expenses resulted in the movement to an adjusted EBITDA profit of £0.4m (2020: loss (£1.0m)) (adjusted EBITDA excludes the impact of costs associated with the IPO (£0.9m) and share-based payments). Net Revenue Retention Rates remain strongly positive and EBITDA cash conversion, continued to be strong at 350% (2020: 266%). The Group finished the year with an increased net cash balance of £16.6m (31 March 2020: £4.1m).

> "Across our customer base, we saw the data collated by the Workware+ platform used to improve forecasting, planning and team communication, taking the stress out of managing a rapidly evolving workload through the pandemic, while sustaining productivity levels."

An evolving industry

The major shift to home working that took place across all industries and markets in 2020 in response to the Covid-19 pandemic shone a light on the importance of Management Process Automation and its vital role in enabling businesses to continue to run their back-office operations safely and effectively against a dynamic and rapidly evolving landscape.

Enforced home working demonstrated to businesses how many of their processes for managing operations were hugely reliant on supervisory presence and line of sight management. By contrast, those businesses with established data-led and formalised management approaches were better equipped to cope with the disruption and turn challenges into commercial opportunity.

We have seen employee wellbeing and happiness rise to the top of the agenda, as managers have sought to proactively guide their teams through their changing priorities, while also responding to individual needs. Across our customer base, we saw the data collated by the Workware+ platform used to improve forecasting, planning and team communication, taking the stress out of managing a rapidly evolving workload through the pandemic, while sustaining productivity levels.

Each of these factors is a driver of demand for our platform and the industry as a whole, alongside the core underlying market drivers of increasing regulation, compliance requirements and growing technological complexity of the back-office.

Industry analysts continue to predict increased interest in technologies which enable the hybrid operating models many organisations are moving towards, whilst also highlighting the need for organisations to move beyond simplistic and invasive monitoring techniques. In its recent report, *Plan for the Aftermath of Covid-19 for Your HCM Technology Portfolio*, Gartner observed that "Remote productivity monitoring will increase in sophistication. As a starting point, many organisations have deployed time tracking tools to understand how remote workers spend their time. More sophisticated

* Source, Gartner, Plan for the Aftermath of Covid-19 for Your HCM Technology Portfolio, 17 March 2021. Gartner does not endorse any vendor, product or service depicted in its research publications and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's Research & Advisory organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose. The Gartner content described herein (the "Gartner Content") represent(s) research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. ("Gartner"), and are not representations of fact. Gartner Content speaks as of its original publication date (and not as of the date of this Annual Report), and the opinions expressed in the Gartner Content are subject to change without notice.

tools are available to help managers understand workload and workload-balancing, and mid-tier managers balance between teams". ActiveOps was cited as an example of these more sophisticated tools.

An expanded offering and team
For over 15 years we have been working closely alongside our customers to evolve our offering, ensuring it meets their needs and helps to promote a healthy, productive environment.

The Group's enterprise platform comprises Workware+, our Management Process Automation 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 intellectual property behind both Workware+ and AOM has been developed and refined over two decades by the ActiveOps management team, who are among the leading authorities in back-office operations management. The Workware+ platform consists of two core software products:

- **ControliQ** – the Group's cloud delivered workforce optimisation software. It consolidates data from the multitude of systems used in a typical back-office to provide managers with comprehensive, real-time insight to support the management of operations performance and provides forecasting and planning functionality; and
- **WorkiQ** – the Group's employee productivity monitoring (EPM) software which analyses a user's interaction with their PC and the applications running on it to provide insights into how their time is spent and the performance of those employees and the outcomes achieved.

Uniquely in our market Workware+ also provides customers with access to OpsIndex, the Group's benchmarking service which allows customers to compare the performance of their operations within their own enterprise and with their geographical and industry peer groups.

One of the key areas of expansion in FY21 was the evolution of our WorkiQ offering, following the successful acquisition in 2019 of OpenConnect. Not only did the acquisition allow us to add desktop-based activity monitoring to our toolkit, which has proven especially vital during these times of working from home, but it also gave us a greater footprint in the US. The year saw the divestment of the non-core elements of the OpenConnect business to Rocket Software enabling us to focus on our core areas of expertise, whilst providing funds for investment in the growth of the business.

We completed the re-platforming of our core technology in the year, bringing together our two offerings under one next generation platform, Workware+ which offers additional insight and slicker integration for users. We also introduced an industry-first benchmarking tool in OpsIndex, which enables objective measurement of every business's performance on an enterprise, department by department, and community level, providing senior managers insight for the first time into the health of their back-office operations relative to their peers.

During the year we invested in our people, increasing headcount by 22 with new joiners across our teams in the UK and US, significantly boosting headcount in our Technology, Product and Sales teams. We have been delighted to welcome so many new members to our teams, providing us with a fantastic platform to support our growing, global customer base.

The achievements mentioned above add up to a very successful year in delivering against our strategy. Further information on our performance against each of the five pillars of our strategy can be found in the 'Our Strategy' section of this report.

Successful IPO
Of course a key event in the year was our entry onto the AIM market of the London Stock Exchange, helping some of our long-term shareholders monetise their investment in ActiveOps, but importantly providing us with the enhanced profile and credibility that PLC status brings. We welcome all of our new shareholders and look forward to growing with them in the years ahead.

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 an expected ARR opportunity of £750m. We secured 11 new customers during the financial year, including LifeWorks, Molina Healthcare, Move Bank and Coca Cola, which is particularly impressive given the disruptions of Covid-19.

We have a strong track record in expanding our customer engagements over time, through expansion into adjacent departments, functions and geographies within the same organisation. Through the activities described above, we now also have the ability to cross-sell the newly integrated WorkiQ offering to existing customers or use it as a lower-cost entry point into our platform and then cross-sell our ControliQ offering. Currently, there is only a modest overlap in the user bases of the two applications, thus generating significant opportunity for cross-selling.

We leverage partner relationships to accelerate our sales cycle, increase lead generation and gain access to influential senior stakeholders in target customer organisations.

Selective M&A
We have historically undertaken acquisitions to support our organic growth strategy, most recently acquiring OpenConnect in the USA in 2019, adding the WorkiQ application to the Workware+ platform. Although we are principally focused on organic growth, we will also consider further such bolt-on acquisitions if they would add clear technological capability or market penetration.

Focus for the year ahead
Our focus in the year ahead is to further strengthen our position in the rapidly developing market for enterprise management of capacity and work. Through our growing US presence, working alongside our transformation partners, our work with leading industry analysts and continuing to support our long-standing customers to achieve success in their markets we see major opportunities to make a significant impact.

Internally we are accelerating our development capacity to maximise the opportunities created from the re-platforming of ControliQ and the expanded product set with WorkiQ, particularly within the Employee Productivity Monitoring market, where we believe the sophistication of our platform sets us apart. We are investing in our product capabilities to further differentiate the Workware+ platform through increased task-mining capabilities, including the successful launch of WorkiQ Premium in the first quarter of the new financial year. We are investing in our Sales and Customer Success teams to increase our enterprise level sales capabilities, drive further customer expansion and increase levels of product cross-sales.

A positive outlook
Our purpose is to simplify running operations – and never has that been more important. We know simplifying how organisations manage operational performance has a transformative impact on organisational success, the wellbeing of employees and the outcomes for customers.

When we look back at what was a tumultuous year for us all, we are excited at the progress we have made as a business and proud of the support we have given our customers, providing them with the insight, tools and methodology to thrive in these challenging times. I join our Chairman and the rest of the management team in thanking all our team around the world for their support through what has been a tough year for so many.

I am incredibly proud of everything the team has achieved to date, building a market leading offering and long-term, blue-chip customer base in over 40 countries around the world. However we are very much still at the start of our journey. Increasing regulation, automation and the changing dynamics of the workforce mean back-office operations are becoming ever more complex. We see a clear and growing need for our offering which, through the enhanced credibility and profile of our IPO, we are increasingly well placed to deliver.

Trading in the start of the new financial year has progressed well, in line with Board expectations and ahead of Q1 FY21. We have secured new customers, expanded within existing accounts and continued to progress our investment plans to support our strategy. With strong market drivers, only amplified by the Covid-19 pandemic, alongside a proven and expanding proposition, we remain confident that we are well placed to deliver on our growth ambitions.

Richard Jeffery,
Chief Executive Officer

Market Overview

The efficiency, agility and responsiveness of the back-office often defines the customer experience an organisation delivers, thereby impacting customer retention and revenue. Back-offices also represent significant proportions of headcount for many enterprises, meaning that running lean, efficient operations is an important influencer of key performance indicators such as cost-income ratios.

A large and attractive global market
Back-office operations management is a large and attractive global market with multiple structural growth drivers. Whilst the market for our products is broad, the Group is primarily focused on customers in banking, insurance and business process outsourcing (BPO). These customers are typically large enterprises, where the back-office operations are large, complex and expensive to run, yet have limited management augmentation and automation technologies in use. The Group has a strong track record of successful implementations across this customer base which represents an addressable market in excess of £750m in annual recurring revenue and which the Group is well placed to target.

The need for Management Process Automation has never been greater
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. Delivering timely, high quality and cost effective service whilst also balancing employee experience in operations delivering thousands of unique processes is a challenging task. Rising customer expectations, digital transformation, escalating compliance requirements, continuous cost pressure and evolving workforce expectations are all acting to increase the complexity of running operations. The Covid-19 pandemic required a rapid shift to home working, adaptation to both highly unusual fluctuations in work volumes and increased absence of employees. These conditions created fundamental challenges such as providing hardware and system connectivity for home working but also amplified the importance of having a defined, data-driven management process which can continue to optimise the use of capacity and manage/motivate staff once traditional 'line of sight' management approaches were rendered obsolete. These challenges continue to require significant attention as organisations now look ahead to a future of hybrid office and home based working.

The opportunity for ActiveOps
Technologies supporting operations management are often in-house developed solutions, most commonly locally developed spreadsheet tools. 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.

MPA brings together two related and established software categories into a single platform:

- workforce optimisation – orchestrating the allocation of capacity to available work in order to maximise customer service and performance; and
- employee productivity monitoring – automated data collection and analysis to provide decision useful insight to managers.

The combination of these capabilities removes and automates many time-consuming management tasks and provides data to operations managers to make better, data-led operational decisions. MPA transforms an enterprise's operations management capabilities from being inconsistent, ad-hoc and informal to a state of consistent good practice across the enterprise.

Our position in the market
The Group's Workware+ platform has been developed over 25 years specifically for the needs of large enterprises with complex and often global back-offices. The breadth of the Workware+ platform combined with the AOM method and our training and implementation programmes represents a fully rounded proposition unmatched in the market. As a result, we believe we are uniquely placed to capitalise on the full market opportunity.

ActiveOps targets a well defined section of a large addressable market

>£6.3bn per annum
Total Management Process Automation market opportunity by 2023[1]

c.12% of the market **c.£750m**[2]

Bank

Insurance and Healthcare

Business Process Outsourcers (BPOs)

Market assumption

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

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

Customer challenges addressed by Management Process Automation

Management Process Automation

Employee Productivity Monitoring	**Back-Office Workforce Optimisation**
WorkiQ	ControliQ

Step 01
What are my people doing?

Step 02
Are we using our time effectively?

Step 03
How do I deploy my skills/ resources **optimally within my operation?**

Step 04
How do I deploy my skills/ resources **across the enterprise?**

Increasing impact and strategic value

Increasing management process capability (and sophistication of solution)

We are modelled for our 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, 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 Workware+ software platform 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. Eighteen of ActiveOps' 80+ customers have been using our solutions for more than ten years.

Enterprise mindset
Its 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 augments 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, consistency and service level delivery.

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: 87% (2020: 79%) – we sell software licences for our Workware+ platform. Our software products are 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: 13% – we provide Training and Implementation services to deploy our solutions and a range of advisory services to help customers gain maximum value from their investment in ActiveOps.

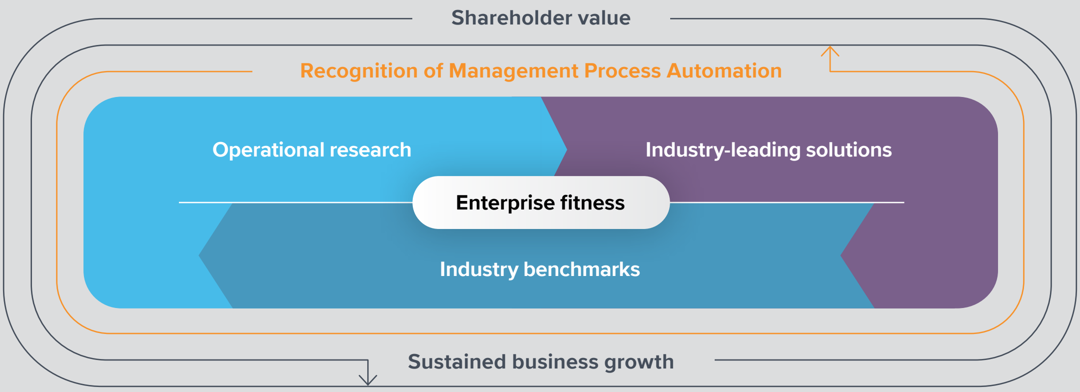
Underpinned by our core values

Global – in outlook, standards, customers and colleagues

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.

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. This year, we enabled our customers to move more than 800,000 days of capacity between functions to better balance workload.

Employees

Our employees work in an exciting, high-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 4.1 out of 5 (up from 3.9 last year) in our annual employee survey.

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 FY20/21
Operations research	Understanding the challenges and future requirements of running operations	• Launch of the OpsIndex benchmarking service (see below). • Creation of regional customer councils to further engage customers in our research and development. • Significantly expanded industry analyst programme to capture greater market insight.
Industry-leading solutions	Developing and codifying intellectual property into enterprise scale solutions to the challenges of running complex operations	• Completed re-platforming of our core software, launching ControliQ as the next generation of the Workware software application. ControliQ enables the Group to increase its pace of R&D development and deploy upgrades and newer versions of the Group's software more efficiently. • Transformed our ability to integrate with customers' existing applications through creation of the ControliQ API library. • Created the Workware+ platform by incorporating the WorkiQ product acquired from OpenConnect. • Embedded our unique AOM management method within the WorkiQ offering. • Added digital adoption technology to the Workware+ platform to enable easier user adoption.
Industry benchmarks	Publishing data and setting definitions which support organisations to make informed choices about their operations	• Launched OpsIndex, our unique operations performance benchmarking service. It draws on our 15 years of data to provide benchmarks which are genuinely comparable between operations. • Used our consolidated data set to identify regional and industry trends and insights to assist our customers managing the disruption of global lock-downs.
Enterprise fitness	Making our solutions uniquely accessible and persistent in the largest enterprises	• Extended our AOM method specifically to support the WorkiQ Employee Productivity Monitoring product acquired from OpenConnect. • Updated our training/implementation approaches and toolkits to support fully remote implementation with no reduction in benefits experienced by customers. • Reached the milestone of more than 20,000 awards to customer employees via our accreditation programmes.
Recognition of Management Process Automation	Make Management Process Automation a recognised capability for back-office operations	• Positioned ourselves as a Management Process Automation provider, recognising the convergence of Employee Productivity Monitoring and workforce management. • Brought together the ControliQ and WorkiQ products to create the Workware+ MPA platform. • Published a book showcasing our AOM methodology and the strategic role of operations management.

Our success has been built upon our authority and expertise in two distinct areas. Firstly, our back office operations management expertise and secondly 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 Automations we offer and thus further simplifying the running of operations.

2021 focus areas	KPI linkage	Risk linkage
• Expand research activity through the creation of a dedicated innovation and insight function within our product group. • Enhance linkages to academic research via a Knowledge Transfer Partnership with Reading University. • Refine our organisation structure to better connect our Customer Success team with our research and development agenda.	1 2 3 8 9 10 11	Read more about our risk management on **page 30**
• Our product roadmap will continue to deliver new features across the product set. • New desktop task-mining capability will significantly enhance both the ControliQ and WorkiQ products. • Significant investment in new roles to expand our research and development functions and further increase the pace of product development.	1 2 3 8 9 10 11	Read more about our risk management on **page 30**
• Grow OpsIndex as part of our wider product roadmap. An area of focus is employee wellness oversight, which is a topic of great interest within our customer base due to the impacts of lock-downs and home working. • Utilise insight from our benchmarking data to drive our research and innovation agenda.	1 2 3 8 9	Read more about our risk management on **page 30**
Our product development will continue to be based upon our principles of enterprise fitness: • Solutions which are agnostic to business process or organisational function. • Enterprise-grade technical scalability. • Functionality built upon best practice management process. • Complete support for enterprise adoption and sustainability.	1 2 3 4	Read more about our risk management on **page 30**
Work to increase awareness of the requirement for and benefits of Management Process Automation technology via: • Thought leadership. • Our regional councils. • Leading analysts. • Our work with our partners at the heart of major transformation programmes.	1 2 3 4 8 9 10 11	Read more about our risk management on **page 30**

Key Performance Indicators

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

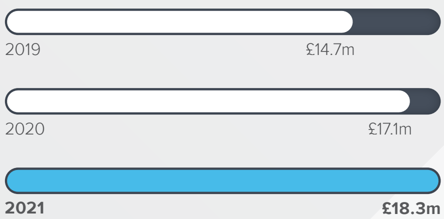
1 Annual Recurring Revenue

Exit ARR – Unaudited

£18.3m

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

2021 performance
Exit ARR has increased by 7% as a result of both sales to existing customers as well as sales to new customers. At the year end, there is £0.5m of contracted revenue that is not yet being recognised in the ARR.



Link to strategy

Link to risks
Read more about our risk management on **page 30**

2 Total Revenue

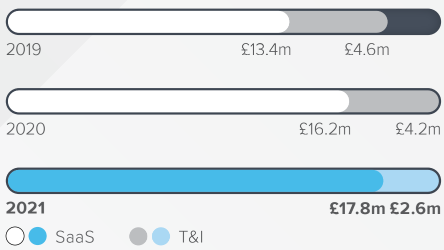
Total Revenue – Audited

£20.4m

Definition
SaaS revenues from licence sales to access the Workware+ platform and Training and Implementation revenues from implementations delivered to customers.

2021 performance
SaaS revenue growth of 10% includes 8% organic growth and 2% attributable to the inclusion of the retained element of OpenConnect with effect from August 2019.

Training and Implementation revenues have decreased as a result of the impact of the Covid-19 pandemic in the first half of the year. Second half Training and Implementation revenues have increased strongly and continue to vary in line with customer requirements.



Link to strategy

Link to risks
Read more about our risk management on **page 30**

3

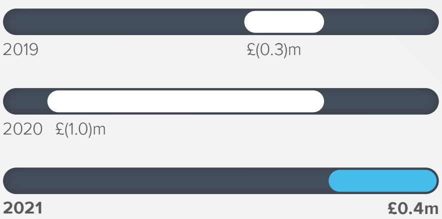
Adjusted EBITDA

Adjusted EBITDA – Audited

£0.4m

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

2021 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 continues to invest in Sales, Marketing and Technology Development.



Link to strategy

Link to risks
Read more about our risk management on **page 30**

4

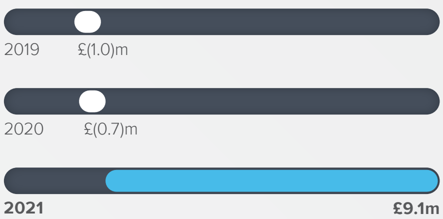
Profit for the year

Profit for the year – Audited

£9.1m

Definition
Reported profit for the year.

2021 performance
Profit includes profit from the sale of the non-core OpenConnect asset of £11.8m and loan interest expense of £0.3m. The loan was repaid in October 2020.



Link to strategy

Link to risks
Read more about our risk management on **page 30**

5

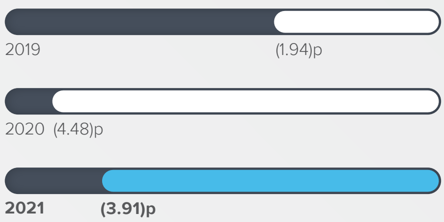
Earnings Per Share

Earnings Per Share – Audited

(3.91)p

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

2021 performance
Diluted EPS on a continuing basis has improved from 2020 – loss (4.48)p as the Group continues to manage to a broadly breakeven adjusted EBITDA position with exceptional items and amortisation impacting the retained loss position.



Link to risks
Read more about our risk management on **page 30**

Key Performance Indicators continued

Financial KPIs continued

Non-Financial KPIs

6

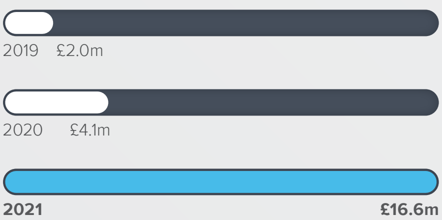
Net Debt/ Cash

Net Debt/Cash – Audited

£16.6m

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

2021 performance
The sale of the OpenConnect entity including the associated cashflow on discontinued operations net of deal fees contributed £14.4m, enabled the repayment of outstanding debt of £7.3m, along with proceeds of the exercising of share options (£1.7m) and employment taxes due to tax authorities (£3.5m). All contribute to the year end cash balance. Underlying operating cash flow remains positive at £1.5m.



Link to risks
Read more about our risk management on **page 30**

7

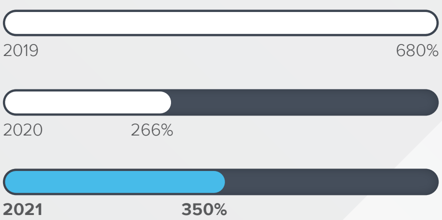
Operating Cash Conversion

Operating Cash Conversion – Unaudited

350%

Definition
Cash generated from continuing operations (excluding IPO employee share option taxes received at IPO, paid to tax authorities in April) as a percentage of adjusted EBITDA.

2021 performance
ActiveOps continues to drive cash ahead of profit as a result of the annual in advance billing model. 2021 has seen strong progress in moving a number of large legacy monthly in arrears billing customers to annual in advance billing, as well as very strong year end cash collections.



Link to risks
Read more about our risk management on **page 30**

8

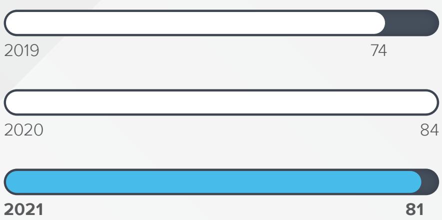
Number of Customers

Number of Customers – Unaudited

81

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

2021 performance
Customer numbers in the year were broadly flat with some significant new customers added and some smaller customers leaving.



Link to strategy

Link to risks
Read more about our risk management on **page 30**

9 Number of Software Users

Number of Software Users – Unaudited

104,021

Definition
Number of users who log onto the software platform.

2021 performance
The number of users of the WorkiQ and ControliQ platforms has increased significantly over the year. This has been primarily driven by the addition of the WorkiQ product which is expected to drive a higher number of users that are looking for Employee Productivity Monitoring capabilities.

2019 69,868
2020 73,408
2021 104,021

Link to strategy

Link to risks
Read more about our risk management on **page 30**

10 Number of Employees

Number of Employees – Unaudited

170

Definition
Number of Group Employees at the end of the year.

2021 performance
Investment in the wider team has continued in the year, with increasing investment in Sales particularly in the North American market along with Marketing, Technology and Product.

2019 151
2020 148
2021 170

Link to strategy

Link to risks
Read more about our risk management on **page 30**

11 Employee Engagement

Employee Engagement – Unaudited

4.1

Definition
The business undertakes annual engagement surveys measuring a variety of employee engagement metrics including their views on the culture and communication within the business, understanding and alignment with the Group's purpose, how their work aligns with our purpose, the compensation they receive and opportunities for them to develop. Each area has a maximum score of 5.

2021 performance
Employee engagement has increased over the year despite the challenges of working from home. ActiveOps has run a number of remote initiatives throughout the year to engage all areas of the business and employee engagement continues to be a key focus for the management team to ensure ActiveOps is a great place to work.

2019 3.6
2020 3.9
2021 4.1

Link to strategy

Link to risks
Read more about our risk management on **page 30**

Group Financial Performance and Chief Financial Officer's Report
Paddy Deller, Chief Financial Officer

We seek sustainable, profitable, growth

I am pleased to report on a good financial performance by the Group, growing ARR, software and subscription revenue, and delivering an adjusted EBITDA profit despite a challenging year, alongside a profitable disposal of non-core activities and a successful IPO. Key metrics for the Group have moved in the right direction, with a significantly strengthened balance sheet that will enable us to invest to drive growth where appropriate.

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

ActiveOps' ARR at 31 March 2021 totalled £18.3m (31 March 2020 £17.1m), representing year-on-year growth of 7%. This increase has been delivered as a result of expanding our footprint in existing customer accounts and both direct and partner influenced sales to new customers.

Total revenue for the Group at £20.4m was in line with the prior year, however, software and subscription revenues increased by 10% to £17.8m (2020: £16.2m) on a reported basis, with an 11% increase at constant currency. Software and Subscription revenues now represent 87% of overall revenue (2020: 79%).

Training and Implementation ('T&I') revenues at £2.6m (2020: £4.2m) were significantly impacted by the Covid-19 pandemic in the first half of the year with customers pausing implementations for both new and expansion opportunities whilst they managed the initial uncertainty of the pandemic and secured their business operations. T&I revenues recovered strongly in the second half of the year as remote implementations resumed and businesses returned to a more normal operating basis with Q4 being broadly in line with pre-pandemic levels.

Operating profit and margins

Gross margins improved to 82% (2020: 74%) primarily as a result of a lower proportion of lower margin T&I revenues driven by the Covid-19 pandemic and, an improvement of 4% in software gross margins following the consolidation of hosting services to Microsoft Azure. T&I margins also moved positively in the year 48% (2020: 43%). 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. 2021 saw a higher mix of North American ControliQ implementations than in prior years that resulted in a higher margin than seen in prior years.

Operating expenses (excluding share-based payments and costs associated with the IPO) increased by 2% to £16.4m (2020: £16.0m) following continued investment in sales, marketing and technology development offset by reductions in travel costs as a result of the Covid-19 pandemic. All commission and development costs are expensed to the P&L in the period, as well as non-recurring costs associated with the disposal of the OpenConnect entity.

Adjusted EBITDA moved to a profitable position of £0.4m (2020: loss £0.9m) excluding the impact of costs associated with the IPO (£0.9m) and share-based payments (de-minimis).

Foreign exchange

The Group has 50% (2020: 54%) of revenues invoiced in currencies other than GBP with movement in exchange rates, especially for USD and AUD impacting reported revenue.

Research and development expenditure

Total expenditure on product management, research, development and support in the year increased to £3.4m (2020: £2.1m). The Board has continued to determine that none of the internal research and development costs incurred during the year meet the criteria for capitalisation. Consequently, these have been expensed as incurred through the income statement.

Depreciation and amortisation

Depreciation and amortisation of £1.1m (2020: £1.1m) principally comprised intangible amortisation following the acquisition of the OpenConnect entity in 2019 and the Australian entities in 2017.

Profit from discontinued operations

ActiveOps acquired OpenConnect Systems Inc (a US registered business) in August 2019 for $7m in order to enhance our product portfolio (through the addition of the WorkiQ product to the Workware+ platform), extend our software development capabilities, add to our North American customer base and establish a US headquarters in Dallas. The acquisition was funded by a debt facility with Wells Fargo. In October 2020, ActiveOps sold the OpenConnect Systems Inc legal entity, along with the legacy product, associated customers and a small supporting team to Rocket Software Inc for $19m. This inflow of funds allowed ActiveOps to repay the debt in the business, with £7.3m of cash being added to the balance sheet with a further £1.4m held in escrow until October 21.

Taxation

The Group had a tax charge in the year of £0.7m (2020: credit (£0.3m)), with a prudent approach taken with regards to the recognition of deferred tax assets. At IPO the company derived a potential tax benefit from the exercise of share options, which increased tax losses in the business beyond the level deemed recoverable in the short term, and consequently the group has derecognised the previously recognised deferred tax asset in the UK. 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 reduce the overall tax rate for the business.

Statutory results

The Group reported a profit for the period of £9.1m (2020: loss £0.7m).

Earnings per share

As a result of the Group's growth in profit attributable to equity shareholders, Basic Earnings per Share increased to 12.61p (2020: (0.92p)).

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 moved to a strong balance sheet position following the disposal of OpenConnect with no debt and net assets at 31 March 2021 of £10.5m (2020: (£0.4m)), including cash of £16.6m at the end of the year. This cash balance included £3.5m of employment taxes owed to tax authorities relating to the exercise of share options and sale of shares in the AIM admission that were paid to the appropriate tax authorities in early April 2021.

Cash conversion, calculated by taking cash generated from operations over EBITDA, continued to be strong at 350% (excluding the above noted cash received at IPO relating to employee taxes on share option exercise) (2020: 279%). The Group generated cash associated with the discontinued operations of £14.4m which was used to repay outstanding loans of £7.3m on the sale of the OpenConnect entity. Share option exercises at the IPO generated £1.7m cash inflow, with a further £3.5m of associated employee taxes which were paid to the tax authorities in April 2021.

Paddy Deller,
Chief Financial Officer

Principal 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	Potential impact
Growth strategy	As detailed elsewhere in this report, 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 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. 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 any of its key customers terminates for any reason, or if one of its key customers significantly reduces 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 Group'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.

Strategic linkage

Operations research | Industry-leading solutions | Industry benchmarks | Enterprise fitness | Recognition of Management Process Automation

Mitigation **Trends**

- The Group'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 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 that we are aligning with customers' 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 teams of our customers. The council members 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: (i) advances in our competitors' technology offerings and functions which could render our products uncompetitive; and (ii) 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 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.

- 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	Potential impact
Reliance on key personnel and management	Attracting and retaining experienced personnel, including individuals with significant sales and technical expertise, 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 products 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 products 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 investor confidence. If the Group suffers a cyber-attack, this could expose the Group to potential financial and reputational harm.
Covid-19 and macroeconomic conditions	The Covid-19 pandemic has had an unprecedented adverse health and economic impact across the world and the full long-term ramifications are not yet known. Whilst the Group's operations and performance have been largely unaffected to date, the Directors recognise that the performance of the Group, which has operations in various jurisdictions, including Australia, India, South Africa and the United States, may yet be affected by the ongoing pandemic and government measures. Further, the Group may be adversely affected by the wider macroeconomic effect of new outbreaks in the future, as ongoing negative effects may be felt in the economies in which the Group operates.

Strategic linkage

Operations research | Industry-leading solutions | Industry benchmarks | Enterprise fitness | Recognition of Management Process Automation

Mitigation	Trends
• 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 newly formed Nomination Committee will, going forward, play a key oversight role in the Group's talent management and succession planning, and support 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, 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 (i.e. ISO27001 and seeking to gain SOC2 during the 2022 financial year) to validate the Group's IT environment and controls. 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 Executive Management Board have regular meetings to discuss the current environment, including effective ways to adapt current business operations as well as support our employees and customers in jurisdictions around the world. An agile business model and operational leverage see us well placed to meet and overcome challenges as they arise. One of the impacts of the Covid-19 pandemic has been to increase customer engagement and drive market interest, as more organisations recognise the importance of Management Process Automation. • The Group has strong financial controls and processes. We continue to operate a robust capital and liquidity position, which provides the contingency funding to support continuing business activities, and protect against the event of any potential prolonged business impacts and further shutdowns.	

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:

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

The following paragraphs summarise how the Directors fulfil their duties.

Key decisions made in the year include:

- The divestment of OpenConnect gave the Group an opportunity to focus on its core product and dispose of assets that were not considered key to the strategic direction of the business, while also generating a significant cash income to the business enabling the repayment of debt and significantly strengthening the balance sheet.
- The decision to float on the London Stock Exchange allowed long-term shareholders (primarily private equity investors) to realise value and the Group to increase brand visibility and credibility to the benefit of all stakeholders.
- To mitigate the financial impact of Covid-19, the Board reviewed a number of scenarios and took a number of steps across the business to manage costs effectively and preserve cash during an uncertain period. These included delaying new hires, inflationary pay reviews and bonus payments. The Group did not furlough any employees but did defer VAT payments in line with the Government schemes available, with all VAT due paid later in the year. In addition, in the interests of the Company's employees, the Group reviewed every employee's work from home environment and provided additional support where required and organised numerous team and group-wide events to help support employee wellbeing.

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, will also meet with institutional shareholders and analysts after the announcement of the full-year and half-year results. These meetings will 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 FY21, the Company undertook its annual employee engagement survey, which tracks employee satisfaction against a number of metrics, including culture and communication, opportunities for growth, compensation and workplace.

The CEO, as an Executive Director, holds regular CEO briefs to employees globally to discuss the goals the Company is targeting across the business and celebrate successes, to provide a forum where there is an opportunity for employees to ask questions or give reflections. The CEO also chairs a monthly 'Change Crowd' forum where employee representatives are engaged in employee and organisation change matters.

The Board considered its Section 172 responsibilities to employees in respect of the Covid-19 pandemic. The Company undertook a health and safety audit to ensure that employees working from home were doing so in a safe and suitably equipped environment. To help employees feel connected and supported, the Company ensured that each department had weekly check-ins with management and team members. Virtual quizzes, team challenges, competitions and festive gifts helped keep morale high in a challenging year.

Customers
Effective engagement with customers allows the Company to understand their business 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 an assessment 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 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 are prepared each month and reviewed by the Executive Management Board. These metrics include customer health and usage.

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 equipping organisations to achieve their ambitions and create environments in which individuals can flourish. Our Corporate Social Responsibility (CSR) policy refers to our responsibility toward our 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 by hosting fundraising activities which bring employees together in a united effort to help others in need. The Company 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. Furthermore, we actively encourage our people to participate in community causes they personally feel passionately about.

The Directors are committed to ensuring the Company behaves responsibly and minimises its impact on the environment. In order to achieve this goal, the Company has set a number of objectives, including: minimising waste and adopting effective recycling policies in respect of our paper and food consumption; providing safe and comfortable working conditions; ensuring energy usage is efficiently managed both inside and outside of office opening hours; and proactively reducing our carbon footprint. More detail is set out in the ESG and Our Purpose section on page 36.

The Board considers the perspectives of wider stakeholders when taking decisions, as well as the long-term consequences of those decisions. The Board and each sub-committee look at the balance of interests between shareholders, employees, customers and the community when performing their duties and responsibilities.

In alignment with the Chartered Management Institute Code of Conduct, which is applicable to all Directors and employees of the Group, ActiveOps aim to adopt the highest standards of ethics and conduct. These values are embedded in the organisation across the globe, including the Board, and emphasise our commitment to maintaining a reputation for high standards of business, while ensuring the long-term sustainability for the Group.

We are impactful and transformative

Our purpose is to simplify running operations. How organisations control operational performance has a transformative impact on their success. Employees are well motivated and have a sense of responsibility for their own effort and performance, which ultimately improves their wellbeing. Customers see tangible improvements in their capacity to deliver and in the consistency of outcomes. This has been particularly important over the last year as working from home has accelerated and businesses strive for more efficiency in operations.

Environmental (planet)
We take our responsibility for the environmental impact we have as a business and employer very seriously. We are focused on reducing the impact we have on the environment and will continue to seek opportunities to adopt a sustainable approach in all areas of our business. In all our office locations, we ensure we manage the energy usage as efficiently as possible. The Group actively encourages the minimising of waste and has adopted recycling policies across our premises. All employees are aware of our policy on reducing energy consumption and recycling as much as possible and are actively involved in engaging with us on this challenge.

As a Group, we are committed to proactively reducing our carbon footprint, and over the next year plan to measure and target how this might become an ongoing area of improvement.

We have already made steps towards this by moving our server hosting to Microsoft Azure, which is carbon neutral, and transitioning to a travel management system that provides real-time tracking of CO_2 emissions for all travel.

As part of our commitment to being an accountable corporate citizen and continuing to improve our environment and social contribution, during FY22 the Group will align its ESG efforts with a recognised reporting framework.

Social (community and people)
We want to contribute positively and proactively to our community and this is an important part of our culture and success story to date. Our values – 'global', 'expert', 'authentic' and 'collaborative' – support our vision, shape our culture and reflect what the Group stands for. We set out to demonstrate this through celebrating role models and rewarding the best behaviours.

Our product professionalises operations and develops valuable and transferable skills for employees enabling them to be more efficient and versatile. The use of our products enhances the working environment, reducing stress and improving wellbeing, for our users and their managers – which is particularly important at this time.

We are also committed to investing in our community and giving back through engaging in charitable and volunteer efforts within our local communities with a particular emphasis on enabling individuals to flourish through learning. To achieve this, we support and encourage our employees to contribute one day per year to educational volunteer programmes whereby they can share their knowledge, experience and enthusiasm to help other people learn, supporting them in achieving their ambitions.

We recognise how diversity enriches businesses and as such the Group is committed to promoting diversity and inclusion (D&I) across all areas including gender, sexual orientation, marital status, race, colour, nationality, ethnic or national origin, education, religion, age, or disability.

It is important to us that this commitment is reflected in all our regions and that we realise the benefits from the actions we take towards achieving a more diverse organisation. Some of the activities which support this are:

- An employee 'Change Group' to ensure diverse perspectives are considered on changes to policies and practices affecting our customers and people. This open and honest forum serves to gain feedback and input on our decision making process.
- Annual employee engagement surveys seek employee views on the diversity and inclusivity of ActiveOps, which enables us to respond to comments made and measure improvement year on year.
- Engaging with our key suppliers on their corporate social responsibility (CSR) and diversity and inclusion (D&I) policies and plans will enable us to ensure our stance to D&I is understood and also to learn from others in terms of best practice.

We aim to increase the diversity of our organisation by focusing on how we attract, hire, develop, and retain our talent. To this end, we are committed to building our D&I strategy and reporting effectively on diversity data across the Group.

Governance

A strong corporate governance foundation is important and as such the Group has adopted the Quoted Company Alliance (QCA) Code, which is constructed around ten broad governance principles. Further detail on how we aim to comply with each of these can be found in our Corporate Governance Statement on page 44.

We consider carefully the Chartered Management Institute Code of Conduct, to enable us to adopt the highest standards of ethics and conduct and align these with our own 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.

The Board is committed to delivering shareholder value and doing this by maintaining high standards of corporate governance.

The Strategic Report was approved by the Board of Directors on 3 August 2021.

Paddy Deller

Paddy Deller,
Chief Financial Officer

Governance

WE ARE ROBUST & EFFICIENT IN OUR OPERATIONS

We are strong in our leadership

1

Sean Finnan
Non-executive Chairman

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 Chairman in 2019. Sean previously held a range of senior international leader 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 15 years' experience in senior finance roles across the technology sector. He joined the Group in September 2015 and had 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 for 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 Chairman 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. 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 and more latterly with Cambridge-based engineering and technology companies which is where she has gained her global experience as well as involvement 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

The Senior Management Team

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 our 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 currently responsible for business strategy, corporate development and alliances/partnerships. Alex 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

General Manager: 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 is a qualified senior leader with over 27 years' experience in operations management, consulting, project management across a number of industries and most recently in Customer Success Management.

Corporate Governance Statement
Chairman's Introduction

We are determined to further our reach

"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."

Sean Finnan,
Chairman

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. On admission to AIM, the Group 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 Group.

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

The remainder of this section explains how the Group currently complies with the principles of the QCA Code and, to the extent applicable, those areas where the Group's corporate governance structures and practices differ from the expectations set out in the QCA Code.

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 strategy.

The Board meets regularly to review:
- the Group's business model and strategy;
- operational and business performance;
- sales, customer success, marketing and product development progress;
- strategic considerations; and
- the progress of previously agreed actions.

The Group has a clear and proven strategy to penetrate its large addressable market in the key sectors of banking, insurance and Business Process Outsourcing (BPO). The Group's strategy has five pillars, listed below, and outlined in more detail 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 Group 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 will have regular dialogue with shareholders and analysts to discuss progress against strategy, including the Group's financial results. They will 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 Group will seek 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 Group's brokers and other financial and public relations advisers, all relevant news will be distributed in a timely fashion through appropriate channels to ensure shareholders are able to access material information on the Group's progress. The Company's website has a section for investors, which will be kept up to date with all publicly available financial information and news on the Group.

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 Chairman, 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 Group 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 Group'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 Group for the benefit of its shareholders as a whole. The Group 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 Group is committed to attracting and retaining the highest quality of talent and to promoting diversity and equal opportunities. The Group 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 Group'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 Group seeks to be honest and fair in all relationships with customers, partners and suppliers and encourages feedback from all parties. The Group 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 Group is typically regarded as a trusted partner by customers.

The Group 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 Group ensures full compliance with health and safety and environmental legislation relevant to its activities.

Further detail of how the Group engages with key stakeholders is set out in the Section 172 Statement on page 34.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation
The Board is ultimately responsible for the Group'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 Group's systems of risk management and internal control are designed to help the Group 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 Group. To that end, the Board maintains a risk register for all activities of the Group. The risk register details the potential risk likelihood, mitigating factors, mitigated level impact, action owner and the responsible party. The senior management team meet regularly to consider new risks and opportunities presented to the Group, making recommendations to the Chief Executive Officer, Board and/or the Audit Committee as appropriate.

A summary of the principal risks relating to ActiveOps and its business are detailed in the Principal Risks and Uncertainties section on page 30.

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

The Group 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 Group'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 Chairman, 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 Group.

The Board comprises the independent Non-executive Chairman, 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 Chairman of the Board has overall responsibility for the corporate governance arrangements of the Group, the provision of effective leadership to the Board and, 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 Group'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, set out in pages 48-55.

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 Group.

The Board is supported by the Nomination Committee which gives full consideration to the skills and experience of the Directors needed on the Board in the course of its work.

Specific training will be provided to the Board by the Group 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. As the Board remains relatively new there has not yet been a formal external review of its effectiveness. However, this is something that will continue to be considered and, as the Directors are mindful that this is a requirement of the QCA Code, the Board intends to implement this during the next financial year.

The Chairman 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 Group's strategy and overall commercial objectives. This process feeds into the ongoing evaluation of Board performance.

The Chairman has been tasked with assessing the individual contributions of each of the members of the team 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 in-depth knowledge in each of its core functions of Sales, Customer Success, R&D, Finance, Sales and HR 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 Group's ethical principles and values.

As the Group 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 Group 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 Group.

The Board has implemented formal HR policies and procedures that set out details and guidelines on the culture of the Group and how this should be reflected in employees' individual conduct. An anti-bribery statement is on the Group's Intranet and the Group ensures that all employees are aware of the anti-bribery policy which sets out the expectations of the Group so far as acceptable business conduct is concerned and 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 Group policies are available to the employees through the Group's HR system and Intranet.

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, of significant capital expenditure, 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 has established the Audit Committee, the Remuneration Committee and the Nomination Committee with formally delegated duties and responsibilities, as described below.

Audit Committee

The Audit Committee will be responsible for monitoring the integrity of the Group's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Group'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 will initially comprise Michael McLaren, Hilary Wright and Sean Finnan, and will be chaired by Michael McLaren. The Audit Committee will meet up at least three times a year at appropriate times in the reporting and audit cycle, and otherwise as required. The Audit Committee will also meet regularly with the Group's external auditors.

Remuneration Committee

The Remuneration Committee will be 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 will be a matter for the Chairman and the executive members of the Board. No Director will be involved in any decision relating to their own remuneration.

The Remuneration Committee will initially comprise Michael McLaren, Hilary Wright and Sean Finnan, and will be chaired by Hilary Wright. The Remuneration Committee will meet at least twice a year and otherwise as required.

Nomination Committee

The Nomination Committee will be 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 will initially comprise Michael McLaren, Hilary Wright and Sean Finnan, and will be chaired by Sean Finnan. The Nomination Committee will meet at least twice a year and otherwise as required.

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

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

The Group's website is regularly updated with announcements or details of investor presentations and events as well as the Group's financial reports. Trading updates and press releases are issued as appropriate and the Group'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 34.

The Audit Committee

Michael McLaren,
Non-executive Director

Committee membership

Michael McLaren (Chair)
Sean Finnan
Hilary Wright

Board Committees
As part of the listing on the Alternative Investments Market, the Group has appointed two new Non-executive Directors who will sit on the Audit Committee, Remuneration Committee and Nominations Committee.

None of these committees met between the listing date of the 29 March 2021 and the end of financial year on the 31 March 2021 and therefore this report does not comment upon issues such as attendance at meetings, or present a report by the Chair of each committee.

The Audit Committee
The Audit Committee is appointed by and reports to the Board, and comprises Mike McLaren (Chair), Hilary Wright and Sean Finnan. The Audit Committee was formed on 29 March 2021 coincident with ActiveOps listing on AIM and its terms of reference were approved on that date by the Board and are available at activeops.com. The biographies and relevant experience of the Committee members is available at activeops.com.

The Committee overseas the ActiveOps financial reporting process on behalf of the Board. Management have the 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 Committee will meet regularly with management and the Group's external auditors RSM UK Audit LLP to review and monitor the financial reporting process, the statutory audit of the consolidated financial statements, the associated audit procedures, any significant financial reporting issues, risk management systems, the effectiveness of the Group's internal controls and risk management systems. The committee also oversees the relationship with the external auditors (including advising on their appointment, agreeing the scope of the audit and reviewing the audit findings).

The Committee plans annual reviews in the following areas:
- Review of significant accounting policies.
- Going concern.
- Risk and Internal Control.
- Whistle blowing/Anti Bribery/Fraud policies.
- External Auditor performance, including audit and non-audit fees.
- Audit Committee review, performance and independence.
- Requirement for Internal Audit function.

Appointment, independence and objectivity
During the year, the external auditor provided non-audit services as the reporting accountant for ActiveOps as part of the listing of ActiveOps on the AIM market on 29 March 2021, along with tax advice associated with the disposal of the OpenConnect Systems legal entity in October 2020.

Activeops has engaged another independent accounting firm for all future tax and consulting work and any other similar assignments to ensure the independence and objectivity of the auditor is not compromised. RSM UK LLP have been the Group's auditor for over five years. A new audit partner with no previous connection to ActiveOps was assigned to our audit on the admission to AIM, providing further independence.

Significant Issues considered in relation to the financial statements.
During the year ended 31 March 2021, the Committee's prime areas of focus were:

- the integrity, completeness and consistency of financial reporting, including the adequacy, clarity and appropriateness of disclosures whilst being mindful it is the first year as a listed Group. This included reviewing the annual report and concluding that it was fair, balanced and understandable;
- conversion from UK GAAP to International Financial Reporting Standards following the admission of the Company to AIM in March 2021;
- 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; and
- 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.

The Nomination Committee

Sean Finnan,
Non-executive Chairman

Committee membership

Sean Finnan (Chair)
Michael McLaren
Hilary Wright

The Nomination Committee was formed on the 29 March 2021 upon the Company's admission to AIM. Given the timing of the formation of the Committee, no meetings were held in the year.

The members of the Nominations committee are as follows:
- Sean Finnan (Chair).
- Michael McLaren.
- Hilary Wright.

The Nomination Committee will meet at least once a year and its main responsibilities are to:
- review the structure, size and composition of the Board and its Committees, including its balance of skills and experience and make recommendations to the Board with regard to any changes;
- consider succession for Directors and other senior executives, including the identification and assessment of potential candidates and making recommendations to the Board for its approval; and
- review the performance and effectiveness of the Board and its sub-committees on an annual basis.

The Board and the Committee recognises the importance of promoting all aspects of diversity throughout the Group. When considering any new appointments to the Board, candidates will be chosen against criteria, including their balance of skills, business experience, independence, qualifications, knowledge, diversity and other factors relevant to the Board operating effectively. Candidates will be chosen on merit against these criteria, regardless of race, gender or religious beliefs.

The Committee's focus in 2021 will be in the following areas:
- Reviewing the diversity and inclusion policies and approach to ensure the framework that is put in place supports the outcomes the business is looking to achieve.
- Completing a succession planning review for the Executive team and other key individuals across the business.

The Remuneration Committee

Hilary Wright,
Non-executive Director

Committee membership

Hilary Wright (Chair)
Sean Finnan
Michael McLaren

The Remuneration Committee comprises only independent Non-executive Directors with Hilary Wright as Chair along with Sean Finnan and Michael McLaren. The above committee was formed on the admission of ActiveOps to AIM on 29 March 2021. Prior to the IPO, the Remuneration Committee comprised Neil Bentley (Chair), Sean Finnan and Richard Moore. Richard Moore and Neil Bentley resigned from the committee in March 2021.

As an AIM-quoted Company, ActiveOps has adopted the QCA 2018 Corporate Governance Code and the information provided is disclosed to fulfil the requirements of AIM Rule 19.

The main duties of the Remuneration Committee are set out in the terms of reference and include the following areas:

- Determining the policy for Directors' remuneration, including setting the remuneration of the Group's chair and Executive Directors and senior management, including the Company Secretary, in accordance with the QCA Corporate Governance code and associated guidance.
- Agree the design and monitor the effectiveness of remuneration policies and practices to support strategy and promote long-term sustainable success, with executive remuneration aligned to Group purpose and values, clearly linked to the successful delivery of the Group's long-term strategy.
- Ensure that remuneration arrangements are aligned and monitored to support the implementation of Group strategy and effective risk management for the medium to long-term, and encourage and reward the right behaviours, values and culture of the Group.
- Ensure that remuneration policy attracts, retains and motivates executive management of the quality required to run the Group successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders.
- Determine the total individual remuneration package of each Executive Director, the Company Chair and senior managers, including bonuses, incentive payments and share options or other share awards.
- Determine each year whether share incentive awards will be made, and if so, the overall amount of such awards, the individual awards for Executive Directors and senior managers, and the performance targets to be used.
- Review, as appropriate, new workforce remuneration and related policies, where material to the Group, and/or significant changes to existing policies.
- Work and liaise as necessary with other Board committees, ensuring the interaction between committees and with the Board is reviewed regularly.

The Remuneration Committee continued

Directors' remuneration policy
The objective of the remuneration policy for Executive Directors is to ensure remuneration incentivises and rewards the growth of shareholder value through full alignment with the Group's strategy and with the interests of shareholders.

The total remuneration package is structured so that an appropriate proportion of remuneration is linked to performance conditions measured over both the short and long term. A proportion of the potential remuneration is paid in shares, thereby ensuring that executives have a strong ongoing alignment with shareholders through the Company's share price performance.

When setting the levels of short-term and long-term variable remuneration and the balance of cash and share-based elements, consideration is given to obtaining the appropriate balance so as not to encourage unnecessary risk-taking, whilst ensuring that performance hurdles are suitably challenging.

The Committee's objective is to ensure that remuneration incentivises and rewards the growth of shareholder value through full alignment with the Group's strategy and with the interests of shareholders.

We are guided by a number of fundamental principles:

- Remuneration should be set by taking into account pay levels in the various jurisdictions in which the Group operates, whilst complying with UK PLC structural norms and good practice.
- The policy should attract, retain and motivate high-calibre Executive Directors and senior management through a significant weighting on performance-related pay.
- Incentive plans should be robust and include metrics and targets which are directly relevant to ActiveOps and its strategic goals.
- Pay should be simple and understandable, both externally and to colleagues.
- Good practice features such as clawback and malus arrangements 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 will be kept under review and updated as required to ensure continued alignment with the principles set out above. In doing so, major shareholders will be consulted where necessary.

The following areas are taken into account with regards to determining individual remuneration:

Element	Purpose and link to strategy	Operation	Maximum opportunity
Base Salary	To recruit and reward high-calibre executives for the role required.	Reviewed annually by the Committee taking account of Group performance, individual performance and changes in responsibility and benchmarked appropriately to take into account the levels of increase in size of the business generally.	There is no prescribed maximum annual increase. The Committee is guided by movements in market rates, the performance of the business and the general salary increase for the broader employee population, but on occasions may need to take into account factors such as development in role, change in responsibility, and/or specific retention issues.
Benefits	To provide market competitive benefits and to help ensure the overall wellbeing of employees.	The Group typically provides: • Health insurance. • Cycle to work scheme. • Green car initiative. • Death in service (max £250k).	Benefits provision is set at a level considered appropriate taking into account a variety of factors, including market practice elsewhere.
Pension	To provide market competitive benefits and to assist post-retirement financial planning.	A Group contribution to a defined contribution pension scheme or provision of a cash allowance in lieu of pension savings.	Up to 6% of base salary.
Annual Bonus Scheme	To encourage and reward excellent performance over the course of the financial year.	Annual bonus payments are based on performance against challenging targets linked to the Group's strategic objectives. Bonuses are paid in cash after the Group financials have been audited and approved. The Bonus scheme includes standard malus and clawback provisions.	Maximum opportunity of 40% of basic salary.
Performance Share Plan	To encourage and reward delivery of the Group's long-term strategic objectives and success of the Group and provide alignment with shareholders through the use of share-based remuneration.	The Group makes annual awards of nil-cost options. Awards are released subject to continued employment and satisfaction of challenging performance conditions measured over three years. The scheme includes standard malus and clawback provisions.	The PSP rules prescribe a limit of up to 300% of base salary at IPO and a limit of 100% of base salary in any subsequent financial year.
Non-executive Director Fees	To attract and retain a high-calibre Chairman and Non-executive Directors.	Fee levels are set as appropriate for the role and responsibility for each Non-executive Director position and with reference to market levels in comparably sized public companies. Fees are paid in cash.	There is no prescribed maximum annual increase. Any increases to fee levels are guided by movements in market rates and the general salary increase for the broader employee population. On occasion, however, fee increases may be needed to recognise, for example, change in responsibility and/or time commitments.

2021 Annual Bonus

In light of the years' strong performance including the listing of ActiveOps on AIM in March 2021, the disposal of OpenConnect in October 2020 and the business performance against internal targets, annual bonuses are payable to the CEO and CFO totalling 24.9% and 19.8% of their respective base salaries on 31 March 2021.

Share Awards

On admission to AIM on 29 March 2021, the Board approved the following Share option schemes:

Company Share Option Scheme (CSOP)

On admission to AIM, the Group put in place a Company Share Option Scheme designed to reward all team members for their ongoing contribution to the success of ActiveOps as well as to encourage share ownership throughout the team, with awards of market value options, with a three-year vesting period, to all permanent employees in the business on 29 March 2021 based on their length of continuous service, with a total of 299,705 share options awarded as follows:

	Share options
Less than 1 year of service	298
Between 1 and 2.5 years of service	893
Between 2.5 and 5 years of service	1,488
Between 5 and 7.5 years of service	2,976
Between 7.5 and 10 years of service	4,464
Over 10 years of service	5,952

Share options were granted appropriate to each jurisdiction's legal and regulatory framework with phantom options granted where appropriate.

Performance Share Plan (PSP 2021)

A Performance Share plan was put in place with awards of 1,414,680 £0.001 value options made to the Executive team and other key members of the business, which will vest in three years based on the Company achieving stretching internal targets for the key performance metrics of the business. This share plan is designed to align and reward key members of the business for the achievement of goals aligned with the strategic objectives of the business and shareholder interests.

Share options were granted appropriate to each jurisdictions legal and regulatory framework with phantom options granted where appropriate.

The Remuneration Committee granted performance-related share awards to the Executive Directors under the PSP 2021 plan in March 2021 as follows:

Name	Date of Grant	No. of ordinary shares under option	Value of award at date of grant	Exercise price per ordinary share	First exercise date	Lapsing date
Richard Jeffery	29 March 2021	119,040	200,000	Nominal	July 2024	March 2031
Paddy Deller	29 March 2021	151,800	255,000	Nominal	July 2024	March 2031

The PSP 2021 awards are subject to the following performance conditions. The vesting of 50% of the award is subject to a condition that measures the Group's total shareholder return over a three-year period from the date of the grant using the price of 168p as the base value per share. The vesting of 50% of the award is subject to the achievement of stretching internal targets for ARR growth, revenue growth and achieving a minimum adjusted EBITDA in the year ended 31 March 2024.

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 2021 are as follows:

Name	Current shareholding	Unvested CSOP share options	Vested but unexercised options	Unvested performance shares
Richard Jeffery	9,825,750	5,952	–	119,040
Paddy Deller	390,000	2,976	–	151,800
Mike McLaren	59,523	–	–	–
Sean Finnan	36,804	–	–	–
Hilary Wright	11,904	–	–	–

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:

Director	Date of appointment
Sean Finnan – Chairman	1 January 2019
Hilary Wright	12 March 2021
Mike McLaren	12 March 2021

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

Hilary Wright and Mike McClaren have Letters of Appointment stating that their appointment is for an initial term of three years from the date of the appointment letter. Their Letters of Appointment provide 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 Chairman 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 2021

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 £	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 remuneration for Kuljit Bawa is for up to the date he resigned as a Director. He continues to be employed by the Group.

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 £	BiK £	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**

The share options belonging to Sean Finnan were granted and exercised prior to the Company becoming listed on the Alternative Investment Market. It is expected that going forward no Non-executive Directors will be granted share options.

The total emoluments paid by the Group to each Executive Director of the Company during the year ended 31 March 2020 was as follows:

Executive Director	Salary £	Bonus £	Commission £	Pension £	BiK £	Total £
Richard Jeffery	205,247	14,462	–	450	–	220,159
Paddy Deller	158,780	26,975	–	9,527	2,207	197,489
Kuljit Bawa	170,383	180	45,346	10,223	–	226,132
	534,410	**41,617**	**45,346**	**20,200**	**2,207**	**643,780**

The total emoluments paid by the Group to each Non-executive Director of the Company during the year ended 31 March 2020 was as follows:

Non-executive Director	Salary £	Bonus £	Pension £	Fees £	Total £
Neil Bentley	40,027	–	2,201	–	42,228
Sean Finnan	52,597	–	–	–	52,597
Richard Moore	–	–	–	27,750	27,750
Paul Moroney	140,874	12,753	13,375	–	167,002
	233,498	**12,753**	**15,576**	**27,750**	**289,577**

Directors' share options

Options over ordinary shares in the Company granted to the Directors which remained outstanding at 31 March 2021 were as follows:

Director	Option type	Option price (£)	Balance as at 31 March 2020	Granted in the year	Exercised in the year	Balance as at 31 March 2021
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
	EMI	0.333	60,000	–	60,000	–
	EMI	0.272	540,000	–	540,000	–
Sean Finnan	Unapproved	0.333	216,000	–	216,000	–
	Unapproved	0.272	150,270	–	150,270	–

The above table retrospectively takes into account the impact of the share split and bonus issue that took place on the 24 March 2021. Where share options were exercised in the year, they exercised on the 24 March 2021.

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

Sean Finnan's £0.272 options were granted on the 26 November 2014. Paddy Deller's £0.272 options were granted as follows: 270,000 on 25 September 2015 and 270,000 on 11 January 2017.

All £0.333 options were granted on the 30 September 2019.

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	**2021**	2020
Richard Jeffery	9,825,750	13,101,000
Paddy Deller	390,000	–
Sean Finnan	36,804	368,040
Michael McLaren	59,523	–
Hilary Wright	11,904	–

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 2021 financial year:

- Richard J Jeffery – CEO.
- Paddy Deller – CFO.
- Sean Finnan – Non-executive Chairman.
- Hilary Wright – Non-executive Director.
- Mike McLaren – Non-executive Director.
- Kuljit Bawa (resigned 19 January 2021).
- Neil Bentley (resigned 24 March 2021).
- Richard Moore (resigned 24 March 2021).
- Paul Moroney (resigned 24 March 2021).

Directors' interests and shareholdings are contained within the annual report on remuneration on pages 56 to 57.

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.

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

Financial Instruments
Disclosure of the exposure of the Group to liquidity, foreign exchange, credit and interest rate risk are disclosed in notes 2, 16, 18 and 25 to the consolidated financial statements.

Political donations
The Group has a policy of not making political contributions. No political donations have been made during the 2021 financial year (2020: nil).

Employees
The Group 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 Environmental, Social and Governance Report on pages 36 and 37.

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 22 and 23 to the financial statements.

Going concern
Following the disposal of OpenConnect, ActiveOps plc has moved to a positive net assets position with a significant cash balance of £16.6m as of March 2021. 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 the Covid-19 pandemic does 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 following the sale of OpenConnect, 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
3 August 2021

Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable laws 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 the AIM Rules of the London Stock Exchange to prepare Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The Group's first consolidated financial statements are prepared in accordance with international accounting standards, with IFRS 1 "First-time Adoption of International Financial Reporting Standards" applied.

The Group financial statements are required by law and international accounting standards in conformity with the requirements of the Companies Act 2006 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 their achieving a fair presentation.

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

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 international accounting standards in conformity with the requirements of the Companies Act 2006; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006.

They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the ActiveOps plc website. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

By order of the Board

Paddy Deller,
Director and Group CFO
3 August 2021

WE ARE SOLID WITH OUR RESULTS

Financial Statements

Independent Auditor's Report

Opinion

We have audited the financial statements of ActiveOps Plc (the "parent company") and its subsidiaries (the "group") for the year ended 31 March 2021 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 International Accounting Standards in conformity with the requirements of the Companies Act 2006. 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 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- 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.

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 obtaining and reviewing management's latest cash flow forecasts for a period of 12 months from signing the financial statements, performing sensitivity analysis on the forecasts and assessing the appropriateness of the disclosures in the financial statements.

We have observed that the group had significant cash reserves of £16.6m as at 31 March 2021, due in part to the disposal of OpenConnect Systems Inc for net proceeds of £14.7m. Therefore, even in downside scenarios which would reduce the expected performance of the group, forecasts indicate significant cash throughout the forecast period.

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.

Summary of our audit approach

Key audit matters	**Group** • Revenue recognition • Valuation of goodwill and other intangible assets on disposal of OpenConnect Systems Inc. **Parent company** • None
Materiality	**Group** • Overall materiality: £283,000 • Performance materiality: £212,000 **Parent company** • Overall materiality: £230,000 • Performance materiality: £172,000
Scope	Our audit procedures covered 83% of revenue, 90% of total assets and 57% of loss before tax.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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, note 4 – Revenue and note 31 – Conversion from UK GAAP to IFRS.* Management have adopted IFRS 15 Revenue from contracts with customers on transition to International Financial Reporting Standards. As software contracts are inherently complex, we have determined it to be a key audit matter. The risks are that: • management's accounting policies are not appropriate because the individual performance obligations within the contracts have not been correctly identified; • revenue has not been recognised in line with the satisfaction of those performance obligations; and • variable consideration is not estimated appropriately.
How the matter was addressed in the audit	We undertook an independent review of the impact of IFRS 15 on the group and challenged management's judgements with respect to the performance obligations identified within contracts and considered whether performance obligations were considered to be distinct or not. This included consideration of on-premise hosted licences and stand-alone pricing, consideration of the basis upon which variable consideration had been determined and of whether performance obligations in respect of ongoing services were distinct from licence sales. We challenged management's judgement as to whether revenue should be recognised at a point-in-time or over time and whether management's rationale complied with the requirements of IFRS 15. For all revenue streams, cut-off testing was performed to determine whether revenue had been recognised in the correct accounting period. A sample of contracts for SaaS revenues, throughout the year, and training & implementation revenues, in proximity to the year-end, were obtained and tested.

Valuation of goodwill and other intangible assets on disposal of OpenConnect Systems Inc

Key audit matter description	*Refer to note 3 – Key accounting estimates and judgements and note 12 – Intangible assets.* Customer relationships of £6,736,000 and goodwill of £1,674,000 were acquired upon the purchase of OpenConnect Systems Inc, in the year ended 31 March 2020. This entity was disposed of during the current year. The trade and assets of part of the business were retained by the group; therefore, management were required to allocate the value of customer relationships and goodwill between the continuing and discontinued operations. As this required significant judgement, we have determined it to be a key audit matter.
How the matter was addressed in the audit	We undertook the following procedures: • assessed the original commercial drivers for the acquisition; • considered the nature and valuation of the intangible assets identified upon acquisition of OpenConnect Systems Inc, in the year ended 31 March 2020; • assessed the nature of the products and business streams that were retained/disposed of; • considered and challenged management's rationale for the apportionment of the intangible assets between the continuing and discontinued business; • tested the accuracy of the apportionment calculation; and • assessed the adequacy of the disclosure in note 3 to the financial statements.

Independent Auditor's Report continued

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	£283,000	£230,000
Basis for determining overall materiality	1.5% of revenue	2.4% 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	£212,000	£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 £14,100 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £11,500 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 10 components, located in the United Kingdom, Australia, the United States, 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	83%	90%	57%
Total	**3**	**83%**	**90%**	**57%**

Analytical procedures at group level were performed for the remaining 7 components.

Of the above, a full scope audit for one component was undertaken by a component auditor.

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.

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 59, 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 and component auditor:
- 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.

All relevant laws and regulations identified at a Group level and areas susceptible to fraud that could have a material effect on the financial statements were communicated to component auditors. Any instances of non-compliance with laws and regulations identified and communicated by a component auditor were considered in our audit approach.

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the Group audit engagement team and component auditors included:
IFRS, 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 any advice received from external tax advisers.

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	As this is considered to be a key audit matter, the procedures performed are described in the 'key audit matters' section above.
Management override of controls	
	• Testing the appropriateness of accounting 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
Portland
25 High Street
Crawley
RG10 1BG

3 August 2021

Consolidated Statement of Profit and Loss and Other Comprehensive Income
for the year ended 31 March 2021

Year ended 31 March	Notes	2021 £000	2020 £000
Revenue	4	**20,394**	**20,402**
Cost of sales	5	(3,725)	(5,260)
Gross profit		**16,669**	**15,142**
Administrative expense excluding share option charges, depreciation, amortisation and exceptional items		(16,363)	(16,015)
Administrative expenses – share option charges only	6	(42)	(16)
Administrative expense – depreciation and amortisation only	12-14	(1,104)	(1,124)
Administrative expense – exceptional items only	8	(927)	(428)
Operating loss		**(1,767)**	**(2,441)**
Finance income	9	8	23
Financing costs	10	(289)	(464)
Loss before taxation		**(2,048)**	**(2,882)**
Taxation (charge)/credit	11	(743)	296
Loss for the year from continuing activities		**(2,791)**	**(2,586)**
Profit for the year from discontinued activities, net of tax	29	11,783	2,056
Profit/ (loss) for the year		**8,992**	**(530)**
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations		113	(128)
Total comprehensive income/(loss) for the year attributable to the owners of the parent Company		**9,105**	**(658)**
Basic and diluted earnings/ (loss) per share			
Continuing operations		(3.91p)	(4.48p)
Discontinued operations		16.52p	3.56p
Total	22	**12.61p**	**(0.92p)**

The notes on pages 72 to 107 form part of these financial statements.

Consolidated Statement of Financial Position
for the year ended 31 March 2021

At 31 March	Notes	**2021 £000**	2020 £000	2019 £000
Non-current assets				
Intangible assets	12	5,655	11,879	3,917
Property, plant and equipment	13	241	388	387
Right-of-use assets	14	736	932	952
Deferred tax assets	21	296	1,807	493
Total non-current assets		**6,928**	**15,006**	**5,749**
Current assets				
Trade and other receivables	16	5,836	5,858	4,170
Corporation tax recoverable		54	255	199
Cash and cash equivalents	17	16,617	4,093	1,969
Total current assets		**22,507**	**10,206**	**6,338**
Total assets		**29,435**	**25,212**	**12,087**
Equity				
Share capital	22	71	19	19
Share premium account	22	6,430	4,755	4,747
Share option reserve	23	4	221	205
Foreign exchange reserve	24	(204)	(317)	(189)
Retained earnings	24	4,210	(5,041)	(4,511)
Total equity		**10,511**	**(363)**	**271**
Non-current liabilities				
Lease liabilities	19	655	715	801
Borrowings	19	–	7,339	999
Provisions	20	89	50	50
Deferred tax liabilities	21	1,210	2,282	1,059
Total non-current liabilities		**1,954**	**10,386**	**2,909**
Current liabilities				
Trade and other payables	18	16,808	14,870	8,683
Lease liability	19	162	319	224
Total current liabilities		**16,970**	**15,189**	**8,907**
Total equity and liabilities		**29,435**	**25,212**	**12,087**

The financial statements on pages 68 to 107 were approved and authorised for issue by the Board of Directors on 3 August 2021 and were signed on its behalf by:

Paddy Deller,
Director and Group CFO

The notes on pages 72 to 107 form part of these financial statements.

Consolidated Statement of Cash Flows
for the year ended 31 March 2021

Year ended 31 March	Notes	2021 £000	2020 £000
Profit/ (loss) after tax		**8,992**	**(530)**
Taxation		745	(84)
Finance income		(8)	(23)
Financing costs		294	469
Operating profit/ (loss)		**10,023**	**(168)**
Adjustments for:			
Depreciation property, plant and equipment	13	203	223
Depreciation right-of-use asset	14	242	304
Amortisation of intangible assets	12	744	897
Profit on sale of discontinued operations	29	(10,269)	–
Share option charge		42	16
Direct costs incurred on sale of subsidiary		(469)	–
(Profit)/ loss on disposal of non-current assets		(3)	1
Change in trade and other receivables		(97)	(1,150)
Change in trade and other payables	18	4,342	1,562
Cash from operations		**4,758**	**1,685**
Interest paid		(294)	(469)
Taxation paid		(253)	(440)
Net cash generated from operating activities		**4,211**	**776**
Investing activities			
Purchase of property, plant and equipment	13	(68)	(52)
Purchase of software	12	(30)	–
Interest received	9	8	23
Sale of subsidiary (net of cash included in disposal)	29	14,654	–
Acquisition of subsidiary (net of cash acquired)		–	(4,563)
Net cash generated from/ (used in) investing activities		**14,564**	**(4,592)**
Financing activities			
Proceeds from issue of shares	22, 23	1,727	8
Repayment of related party loans	19	(999)	(1)
Repayment of lease liabilities		(250)	(313)
(Repayment)/proceeds of bank borrowings	26	(6,340)	6,340
Net cash (used in)/ generated from financing activities		**(5,862)**	**6,034**
Net change in cash and cash equivalents		12,913	2,218
Cash and cash equivalents at beginning of the year		4,093	1,969
Effect of foreign exchange on cash and cash equivalents		(389)	(94)
Cash and cash equivalents at end of the year		**16,617**	**4,093**

The notes on pages 72 to 107 form part of these financial statements.

Consolidated Statement of Changes in Equity
for the year ended 31 March 2021

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 2019	**19**	**4,747**	**205**	**(189)**	**(4,511)**	**271**
Loss for the year	–	–	–	–	(530)	(530)
Exchange differences on translating foreign operations	–	–	–	(128)	–	(128)
Total comprehensive loss for the year	**–**	**–**	**–**	**(128)**	**(530)**	**(658)**
Transactions with owners, recorded directly in equity						
Share-based payment charge	–	–	16	–	–	16
Issue of shares	–	8	–	–	–	8
Total transactions with owners	**–**	**8**	**16**	**–**	**–**	**24**
At 31 March 2020	**19**	**4,755**	**221**	**(317)**	**(5,041)**	**(363)**

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 income 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**

The notes on pages 72 to 107 form part of these financial statements.

Notes to the Financial Statements
for the year ended 31 March 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. On the 17 March 2021 the Company re-registered as a public limited company, having formerly been known as ActiveOps Limited.

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 international accounting standards ('IAS') in conformity with the requirements of the Companies Act 2006. These are the Group's first consolidated financial statements prepared in accordance with IASs and IFRS 1 First-time Adoption of International Financial Reporting Standards has been applied.

The Group has used a transition date of the 1 April 2019 for the move to IFRS. Prior to that date, the Group reported in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Group has taken the allowed exemption under IFRS 1 to only restate any business combinations that have occurred on or after the 1 April 2017.

The Group has also taken the allowed exemption under IFRS 1 to only apply the IAS 21 requirement of the fair value and goodwill arising in business combinations that have occurred since the transition date of 1 April 2019 as being in the functional currency of the subsidiary.

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Group is provided in note 31.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement 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.

Initial public offering ('IPO')
The Company's shares were admitted to trading on the Alternative Investment Market ('AIM'), a market operated by the London Stock Exchange, on 29 March 2021. These financial statements are the Company's first subsequent to its admission to AIM.

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. During the year, the Group has achieved a significant cash inflow following the sale of OpenConnect for $19.5m. This transaction is further detailed in note 29. The Group also benefits from positive operating cashflows, ensuring 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 financial statements, and together with the projected revenue and available cash reserves following the sale of OpenConnect, 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 2021. 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.

Both 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.

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 stand-alone 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.

2. Accounting policies continued

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. 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.

Financing payments associated with financial liabilities are dealt with as part of financing costs. Financing 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 are classified into the following categories:

- amortised cost;
- fair value through profit or loss ('FVTPL'); and
- 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 administrative 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; and
- 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 more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'.

The Group considers a broad 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.

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 interest-bearing loans and borrowings and 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 three years;
- plant and machinery – straight line over three years;
- furniture, fittings and equipment – straight line over five years; and
- 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 on a fully retrospective basis in 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 has taken advantage of the practical expedient within IFRS 16 to not reassess whether a contract is, or contains, a lease.

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 on 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.

2. Accounting policies continued

B. Financial liabilities continued

j) Leases continued

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 (6.5%) 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.

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.

At the transition date, pre-existing goodwill has been carried at its previous carrying value under FRS 102 and has not been re-stated.

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 – straight line over 10 years;
- purchased software – straight line over three to 10 years; and
- intellectual property rights acquired on acquisition – straight line over three years.

The estimated useful lives are as 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 of 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.

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 Group 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 and the Group estimate the fair value of stock options granted using either the Black-Scholes option pricing formula or a Monte Carlo simulation.

Provision is made for National Insurance Contributions (NICs), or similar taxes in other countries, on outstanding share options that are expected to be settled based upon the latest enacted NIC rates where the Group is unable to recover the amount paid from the employee.

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, that 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.

2. Accounting policies continued

Valuation and amortisation method continued

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 comprises 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.

Retained earnings

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.

u) Discontinued operations

OpenConnect Systems was acquired on 1 August 2019. The product lines and customers which are core to ActiveOps were transitioned to ActiveOps ownership and the OpenConnect Systems entity was divested, along with non-core products and associated customers on the 19 October 2020. The financial statements provide a track record of the continuing activities of the Group throughout the period.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Statement of Comprehensive Income. For the Group, this means that the economic activities of OpenConnect that remained in OpenConnect at the date of sale have been shown as a discontinued operation.

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.

Fair values of intangibles on acquisition

The Group recognises intangible assets acquired as part of business combinations at fair value at the date of acquisition. The determination of these fair values is based upon management's judgement and includes assumptions on the timing and amount of future incremental cash flows generated by the assets and selection of an appropriate cost of capital.

The Group has taken the allowed exemption under IFRS 1 to only restate any business combinations that have occurred on or after the 1 April 2017. The Group has made two acquisitions since that date, being the purchase of the Group's Australian companies in April 2017 and OpenConnect in August 2019. The Australian companies were previously a franchise that only sold the Group's products, and therefore the only intangible purchased was the customer relationships. OpenConnect was a stand-alone US business with its own software and customers each of which has created an intangible asset.

The initial valuation of the customer relationships for each acquisition is estimated using the expected discounted cashflow from the customers at the date of acquisition of the subsidiary. This includes estimates of the expected longevity of the customer relationships. An attrition rate has been applied to the cashflows which assumes that the customer relationships cease to operate in a straight line over that period.

The initial value of the purchased software acquired within a subsidiary is determined using the estimated discounted cashflow of the projected new net cashflows due to expected customer growth at the date of acquisition of the subsidiary. This includes estimates of the expected longevity of the software in the market. An attrition rate has been applied to the cashflows which assumes that the software ceases to be used in a straight line over that period.

Furthermore, management have exercised their judgement in determining the expected useful lives of intangible assets and charge amortisation on those assets accordingly.

In determining the useful economic life of the intangible software assets, management has given consideration to the length of time that its own software is typically used within its market. Consideration was also given as to the likelihood that a new competitor could enter the market with a new product. This was considered unlikely due to the up-front capital investment which would be required to develop a new product, the requirement for reference sites to demonstrate the product, and the long-life cycles which products have in the market.

In determining the useful economic life of the customer relationships, management have determined the time that the customer is expected to remain a customer of the Group. This is determined based upon the rates at which the Group has been able to retain similar cohorts of customers elsewhere in the Group.

The value of acquired intangibles and their associated expected longevity and useful life are shown below:

	Australia £000	OpenConnect £000
Customer relationships		
Fair value of the acquired customer relationships at the date of acquisition	4,174	6,736
Estimated useful life of the intangible asset	10 years	10 years
Purchased software		
Fair value of the acquired software at the date of acquisition	n/a	545
Estimated useful life of the intangible asset	n/a	10 years

Discontinued operations

Management have applied their judgement to allocate the cost of customer relationships (£6,736k) and goodwill (£1,674k) acquired in the purchase of OpenConnect Systems Inc. between continuing and discontinued operations. Management has allocated the assets between continuing and discontinued operations on the basis of the relevant proportions of revenue for the period that OpenConnect was owned by the Group (August 2019 to October 2020). This methodology was considered to be an acceptable basis given the relative position in the growth cycle of the two parts of the OpenConnect business and the pitfalls of arbitrary cost allocation for modelling/forecasting purposes.

Notes to the Financial Statements continued
for the year ended 31 March 2021

3. Key accounting estimates and judgements continued

Discontinued operations continued

The value allocated to disposed intangibles are shown below:

At 31 March	2021 £000
Customer relationships	
Cost of disposals in the year of intangible assets	4,288
Purchased software	
Cost of disposals in the year of intangible assets	1,028

4. Revenue

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

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.

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**

Year ended 31 March 2020	SaaS £000	T&I £000	Total £000
EMEIA	8,956	2,270	11,226
North America	2,893	1,024	3,917
Australia	4,329	930	5,259
	16,178	**4,224**	**20,402**

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	2021 £000	2020 £000
Accrued income	583	618
Contract assets	242	66
Contract liabilities	(8,423)	(10,789)

Due to the nature of the SaaS 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 liability.

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.

Year ended 31 March	2021 £000	2020 £000
Revenue recognised that was included in the contract liability balance at the beginning of the period	7,854	5,898

The revenue recognised in the year to 31 March 2021 of £7,854k is lower than the contract liability at 31 March 2020 of £10,789k. This difference is due to revenue on the discontinued operations and revenue that was deferred on the balance sheet of OpenConnect at its date of sale.

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 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**

Year ended 31 March 2020	SaaS £000	T&I £000	Total £000
Revenue	16,178	4,224	20,402
Cost of sales	(2,860)	(2,400)	(5,260)
	13,318	**1,824**	**15,142**

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	**2021 Number**	2020 Number
Sales and Marketing	24	27
Information Technology and Product	57	61
Client Services	51	56
Management and Other	28	24
	160	**168**

'Management and Other' includes three Non-executive Directors.

Their aggregate remuneration comprised:

Year ended 31 March	**2021 £000**	2020 £000
Wages and salaries	12,136	12,007
Social security costs	1,049	1,029
Pensions costs	450	538
Share option charges	42	16
	13,677	**13,590**

The individual Directors' remuneration disclosures and remuneration of the highest paid Director is shown in the annual report on remuneration on page 56. A summary of Directors' remuneration is shown below.

Year ended 31 March	**2021 £000**	2020 £000
Remuneration for qualifying service	717	870
Company pension contributions to defined contribution schemes	67	36
Sums paid to third parties for Directors' services	28	27
	812	**933**

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.

Notes to the Financial Statements continued
for the year ended 31 March 2021

6. Employees and Directors continued

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

Year ended 31 March	2021 £000	2020 £000
Remuneration for qualifying service	196	216
Company pension contributions to defined contribution schemes	45	10
	241	**226**

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. For the Group this is the senior management team. The total amount of employee benefits received by key management personnel for their services to the Group during the year amounted to £2,112k (2020: £1,562k) and the Group incurred employer's taxes payable on those salaries of a further £214k (2020: £160k) in relation to the employment of these same members of staff.

7. Loss for the year

Year ended 31 March	2021 £000	2020 £000
Operating loss is stated after charging/ (crediting)		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	98	45
Fees payable to the Company's auditor for other services		
Audit of subsidiaries	51	49
Audit related assurance services	237	251
Tax services	15	9
Depreciation right of use assets (note 14)	242	304
Amortisation of intangible assets (note 12)	659	597
Depreciation property, plant and equipment (note 13)	203	223
Foreign exchange (gain) or loss	553	(218)
(Profit)/loss on disposal of non-current assets	(3)	1

8. Exceptional items

Year ended 31 March	2021 £000	2020 £000
Costs associated with listing on the Alternative Investment Market	927	428

The Group started to incur costs relating to listing on the London Stock Exchange in the year ended March 2020. However, due to the Covid-19 pandemic the plans were delayed for several months, and the listing was achieved on 29 March 2021.

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

9. Finance income

Interest receivable consists of:

Year ended 31 March	2021 £000	2020 £000
Bank interest receivable	8	23

10. Financing costs

Finance costs consists of:

Year ended 31 March	2021 £000	2020 £000
Lease interest – lease liabilities	59	67
Related party loan interest payable	31	42
Bank loan interest payable	199	355
	289	**464**

11. Taxation

Year ended 31 March	2021 £000	2020 £000
Current income tax		
Adjustments in respect of prior periods	–	(8)
Foreign current tax on profit for the current period	211	197
Foreign current tax on profit for the prior period	105	155
Deferred tax		
Origination and reversal of timing differences	473	(473)
Adjustments in respect of prior periods	(53)	(118)
Effect of decrease tax rate on opening deferred tax position	7	(49)
Total tax charge/ (credit)	**743**	**(296)**

Year ended 31 March	2021 £000	2020 £000
Loss before tax	(2,048)	(2,882)
Tax at domestic rate of 19% (2020: 19%)	(389)	(548)
Effect of:		
Expenses that are not deductible in determining taxable profit	245	192
Income not subject to taxation	(7)	–
Differences in current and deferred tax rates	7	(43)
Exercising of share options and movement in share option provisions	(2,073)	–
Deferred tax not recognised	2,833	–
Withholding taxes	54	–
Adjustment in respect of prior periods	52	29
Effect of other tax rates	21	74
Total tax charge/ (credit)	**743**	**(296)**

At 31 March 2021, the Company and its Group had tax losses of approximately £18.4m (2020: £10.1m) to carry forward to offset against future taxable profits.

Notes to the Financial Statements continued
for the year ended 31 March 2021

12. Intangible assets

	Goodwill £000	Customer relationships £000	Purchased software £000	Intellectual property rights £000	Total £000
Cost					
At 1 April 2019	577	4,297	333	126	5,333
Foreign exchange	18	(104)	(8)	–	(94)
Disposals	–	–	–	(1)	(1)
Acquired through business combinations	1,674	6,736	545	–	8,955
At 31 March 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**
Amortisation					
At 1 April 2019	–	957	333	126	1,416
Foreign exchange	–	2	–	–	2
Charge for the year	–	861	36	–	897
Disposals	–	–	–	(1)	(1)
At 31 March 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**
Net book value					
At 31 March 2021	**1,128**	**4,098**	**429**	**–**	**5,655**
At 31 March 2020	**2,269**	**9,109**	**501**	**–**	**11,879**

£659k (March 2020: £597k) amortisation and impairment charges are included within depreciation and amortisation in the statement of profit and loss and other comprehensive income. £85k (March 2020: £300k) of amortisation which is included in profit from discontinued activities.

The carrying amount of goodwill relates to two cash generating units ('CGU') 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 CGUs. The carrying values are as follows:

At 31 March	**2021 £000**	2020 £000
Australia	577	577
United States of America	551	1,692
	1,128	**2,269**

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. Both of these acquisitions are further discussed in note 31.

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.

The inputs into the expected cashflows are based on the most recent forecasts approved and reviewed by the Directors for the next five years based on expected growth within those CGUs 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 given the current sales pipeline to determine expected future sales volumes. These sales volumes are coupled with current pricings 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 the 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 five 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.

13. Property, plant and equipment

	Leasehold improvements £000	Plant and machinery £000	Fixtures, fittings and equipment £000	Total £000
Cost				
At 1 April 2019	181	318	532	1,031
Foreign exchange	(7)	19	39	51
Additions	–	35	17	52
Disposals	(1)	(110)	(54)	(165)
Acquired through business combinations	116	6	69	191
At 31 March 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**
Accumulated depreciation				
At 1 April 2019	135	211	298	644
Foreign exchange	(4)	29	42	67
Provided during the period	78	55	90	223
Disposals	–	(110)	(52)	(162)
At 31 March 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**
Carrying amount				
At 31 March 2021	**6**	**103**	**132**	**241**
At 31 March 2020	80	83	225	388

All depreciation and impairment charges are included within depreciation and amortisation in the statement of profit and loss and other comprehensive income.

Notes to the Financial Statements continued
for the year ended 31 March 2021

14. Right-of-use assets

	Buildings £000
Net book value	
At 1 April 2019	952
Foreign exchange	(28)
Additions	125
Acquired through business combinations	187
Depreciation charge for the year	(304)
At 31 March 2020	**932**
Foreign exchange	5
Additions	128
Disposals	(87)
Depreciation charge for the year	(242)
At 31 March 2021	**736**

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	**2021 £000**	2020 £000
Lease liabilities		
Current	162	319
Non-current	655	715
	817	**1,034**

Amounts recognised in the statement of profit or loss:

Year ended 31 March	**2021 £000**	2020 £000
Interest expense	59	67
Expense for short-term leased properties	29	44
Depreciation of right-of-use assets	242	304

Amounts recognised in the statement of cashflows:

Year ended 31 March	**2021 £000**	2020 £000
Total cash outflows	279	357

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.

15. Subsidiaries

On 1 August 2019 the Group purchased OpenConnect. Included in this purchase was a dormant subsidiary company called WorkiQ LLC. Both of these companies were subsequently sold on 19 October 2020. For further details see note 29.

ActiveOps plc owned the following subsidiaries throughout the years ended 31 March 2021 and 31 March 2020.

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	43/23, 2nd Cross, Promenade Road, Frazer Town, Bangalore, 560005, India	Management Solutions	Ordinary	–	100
Active Operations Management Australia Pty Ltd	231 Kensington Road, Kensington, South Australia, 5068, Australia	Management Solutions	Ordinary	–	100

ActiveOps plc acquired the following subsidiaries on 1 August 2019 and disposed of them on 19 October 2020.

Name of undertaking	Registered office	Nature of business	Class of shareholding	Percentage held controlled or otherwise	
				Direct	Indirect
OpenConnect Systems Inc.	1999 Bryan St., STE. 900 Dallas, TX 75201, USA	Management Solutions	Ordinary	100	–
WorkiQ LLC	1209 Orange Street, Wilmington, Delaware, 19801, USA	Management Solutions	Ordinary	–	100

16. Trade and other receivables

At 31 March	2021 £000	2020 £000
Trade receivables	3,167	4,839
Prepayments and accrued income	1,046	935
Other receivables	1,623	84
	5,836	**5,858**

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

At 31 March	2021 £000	2020 £000
Trade receivables from contracts with customers	3,194	4,846
Less loss allowance	(27)	(7)
	3,167	**4,839**

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. 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 and other receivables and the Group's exposure to credit risk and foreign currency risk can be found in note 25.

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

At 31 March	2021 £000	2020 £000
Accrued income	583	618
Contract assets	242	66

17. Cash and cash equivalents

At 31 March	2021 £000	2020 £000
Cash and cash equivalents	16,617	4,093

18. Trade and other payables

At 31 March	2021 £000	2020 £000
Trade payables	689	545
Other taxation and social security	4,524	892
Other payables	101	32
Accruals and deferred income	11,494	13,401
	16,808	**14,870**

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 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 the 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. This unpaid tax has significantly increased the change in trade and other payables in the consolidated statement of cashflows to its reported value of £4,342k.

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

At 31 March	2021 £000	2020 £000
Contract liabilities	8,423	10,789

19. Borrowings

At 31 March	2021 £000	2020 £000
Non-current liabilities		
Bank loans	–	6,340
Related party loans	–	999
	–	7,339
Lease liability	655	715
	655	**8,054**
Current liabilities		
Lease liability	162	319
Total borrowings	**817**	**8,373**

In July 2019, the Group obtained an £11.5m revolving credit facility scheduled to last until the end of 31 July 2022. This facility incurred interest at the higher of LIBOR or 1%, plus a further 4%. The Group incurred loan arrangement fees of £279k.

The related party loans bear interest at LIBOR plus 4% which is calculated daily. None of the loans have formal repayment terms, but they could not be repaid ahead of the bank loans. Following the sale of OpenConnect the bank loans and the related party loans were both fully settled. See note 27 for further details.

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

20. Provisions

At 31 March	2021 £000	2020 £000
Provisions brought forward	50	50
Increase in the year	39	–
Provisions carried forward	**89**	**50**

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. These costs have been capitalised as part of the right-of-use asset and are amortised over the shorter of the term of the lease and the useful life of the assets.

The Group has an obligation to pay a one-off pension contribution to some of its employees when they cease to be employed. This has been estimated as being worth £39k given the current employees' salaries and length of service.

21. Deferred tax

At 31 March	2021 £000	2020 £000
Deferred tax assets	296	1,807
Deferred tax liabilities	(1,210)	(2,282)
	(914)	**(475)**

The elements of the deferred taxation are as follows:

At 31 March	2021 £000	2020 £000
Tax losses carried forward	66	1,603
Other short-term timing differences	230	204
Intangible assets	(1,210)	(2,247)
Accelerated capital allowances	–	(35)
	(914)	**(475)**

The movement on deferred taxation is as follows:

At 31 March	2021 £000	2020 £000
At 1 April	(475)	(566)
Recognised in the year	(427)	640
On acquisition	–	(343)
Recognised in the year within discontinued operations	–	(176)
Foreign exchange	(12)	(30)
	(914)	**(475)**

The deferred tax assets include an amount of £66k (2020: £1,603k) which relates to carried forward tax losses of the Group. The losses can be carried forward indefinitely and have no expiry date.

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. We expect that, in line with the rate increase proposed, there will be an increase to our effective tax rate for periods from our year ended March 2024 onwards. In addition, we expect any related change to the carrying values of our deferred tax assets and liabilities to not be significant primarily due to an expectation that the majority of our deferred tax items will have reversed prior to this date.

22. Share capital, share premium and earnings per share

	A Ordinary Shares		Ordinary Shares		
	Number	Share capital £000	Number	Share capital £000	Share premium £000
At 1 April 2019	613,282	6	1,309,724	13	4,747
Issued under share option schemes	–	–	1,000	–	8
At 31 March 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**

In connection with the listing, the Company undertook a corporate reorganisation, which comprised the following steps:

- The Company issued a bonus issue of '2 for 1' shares. This was funded from share premium.
- The Company issued a 10 for 1 share split. This reduced the nominal value of all shares from being £0.01 to £0.001.
- Various share options have been exercised. This is further explained in note 23. The above table shows the difference between those share options exercised before the bonus issue and share split, and those exercised afterwards.

On the 29 March 2021 (the day the Group listed on the Alternative Investment Market), the A ordinary shares were redesignated to be ordinary shares. Until this date the A ordinary shares were entitled to payment of issue proceeds ahead of ordinary shareholders in the event of a winding up.

The earnings per share calculation is determined by dividing the profit by the number of shares. However, due to the impact of the continuing and discontinued operations, and the existence of various share options, the calculation of the earnings per share is explained below:

Year ended 31 March	**2021 £000**	2020 £000
Profit for the period		
Continuing operations		
Loss for the year from continuing activities	(2,791)	(2,586)
Discontinued operations		
Profit for the year from discontinued activities, net of tax	11,783	2,056
	Number	Number
Basic earnings number of shares		
Number of issued shares at 31 March	71,320,680	1,924,006
IAS 33 application to adjust prior year number of shares to reflect the eventual bonus issue and share split	–	55,796,174
Number of shares in for basic earnings per share calculation	**71,320,680**	**57,720,180**
Diluted earnings number of shares		
Number of issued options at 31 March (see note 23)	1,757,885	457,350
IAS 33 application to adjust prior year number of shares to reflect the eventual bonus issue and share split	–	13,263,150
Number of share options for diluted earnings per share calculation	1,757,885	13,720,500
Number of shares and share options for diluted earnings per share calculation	**73,078,565**	**71,440,680**

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 potential ordinary shares have not been considered within the calculation of the diluted earnings per share.

23. Share options and share awards

The Group has incurred costs of £42k (2020: £16k) in relation to share-based payment charges to the share option reserve.

The Group has operated at various points of the financial year four equity settled share-based payments plans:

Enterprise Management Investment ('EMI') scheme

This plan has been running for several years and every member of this scheme chose to fully exercise their shares at or prior to the Company being listed on the Alternative Investments Market. Therefore there are no longer any outstanding employees in the scheme at the 31 March 2021 (2020: 41 employees). There are no longer any share options in the scheme. In the previous year there were 344,469 share options, although this is prior to the bonus issue and share split as explained in note 22.

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 and all options have now vested. There are four employees remaining in this scheme (2020: 33 employees) who have options over 43,500 shares. In the previous year, there were options over 112,881 shares, although this is prior to the bonus issue and share split as explained in note 22.

The remaining four employees have six months from the date of the Company listing (29 March 2021) to exercise their share options or they will lapse. The remaining share options were all granted on 30 September 2019. They were all initially granted for £10 per share, but due to the share bonus issue and share split they now have an option price of £0.333.

Company Share Option Plan ('CSOP')

This is a new scheme put in place at the Company's listing. It is overseen by the Remuneration Committee of the Board. The CSOP has been designed 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 has to remain in employment of the Group for the full three years.

For employees in some countries they have instead 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 £1.68 per share. The number of share options issued in the year under this scheme is 299,705 (2020: nil). This total includes 46,724 phantom share options.

Performance Share Plan ('PSP 2021')

This is a new 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 dependant 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 the year under this scheme is 1,414,680 (2020: nil). This total includes 5,190 phantom share options.

Valuation of share options

The EMI and Unapproved Share Option Scheme, the CSOP share options and the non-total shareholder return elements of the PSP 2021 share options have been measured using the Black-Scholes model. The total shareholder return elements of the PSP 2021 share options have been measured using a Monte Carlo simulation. The models use the following key assumptions:

Assumption	Description and purpose
Volatility	For the EMI and Unapproved Share Option Scheme, this was based on the growth in revenue of the Group. This varied between 24% and 37%. For the CSOP and the Performance Share Option Plan, the volatility has been estimated using the volatility of comparable companies. The volatility used was 40%.
Expected time to exercise	For the EMI and Unapproved Share Option Scheme, it was assumed that they would exercise as each component vested. For the CSOP and the Performance Share Option Plan, it is assumed that they will exercise after three years.
Dividends	It was assumed for all options that no dividends would be paid.
Option exercise price	The option exercise price was known at the date the option was granted.
Risk free rate	The risk free rate was based on the UK Government Bond yield of duration equal to the expected time to exercise.

All CSOP share options were granted for £1.68 per share. The deemed option value of a CSOP option is £0.46. The total value of all CSOP options granted in the year was £137k (2020: £nil).

All PSP 2021 share options were granted for £0.001 per share. The deemed option value of a PSP 2021 share option is £1.09. The total value of all PSP 2021 share options granted in the year was £1,549k (2020: £nil).

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 Option Scheme Number	EMI £	Unapproved Share Option Scheme £
Outstanding at 1 April 2019	327,894	86,031	2.93	4.63
Granted	25,575	26,850	10.00	10.00
Forfeited	(8,000)	–	13.29	–
Exercised	(1,000)	–	8.15	–
Outstanding at 31 March 2020	**344,469**	**112,881**	**2.45**	**3.53**
Exercisable at 31 March 2020	78,402	31,767	2.51	0.19
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

	Number of share options		Weighted average exercise price	
	CSOP Number	PSP 2021 Number	CSOP £	PSP 2021 £
Outstanding at 1 April 2020	–	–	–	–
Granted after share split and bonus issue	299,705	1,414,680	1.68	0.00
Outstanding at 31 March 2021	**299,705**	**1,414,680**	**1.68**	**0.00**

No CSOP or PSP 2021 share options were exercisable at 31 March 2021.

Notes to the Financial Statements continued
for the year ended 31 March 2021

24. Reserves

The reserves of the Company and its Group comprise the following:

- 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.
- 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.
- Retained earnings – retained earnings includes all current and prior period retained profits and losses.

25. Financial risk management

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables and 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 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)	–

Year ended 31 March 2020	USD $000	ZAR R000	AUD $000	INR ₹000	EUR €000	CAD $000	NZD $000
Trade receivables	945	5,487	1,682	1,348	–	1,054	–
Cash and cash equivalents	2,023	6,772	2,040	12,865	30	1,132	201
Trade payables	(84)	(458)	(49)	258	(17)	–	–

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 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.

Year ended 31 March 2020	USD £000	ZAR £000	AUD £000	INR £000	EUR £000	CAD £000	NZD £000
Impact on profit and equity for the year (in sterling)	(122)	(28)	(97)	(8)	(1)	(66)	(5)

The total cost in sterling of a 5% strengthening is £327k.

The following table shows the effect on the Group's results 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 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.

Year ended 31 March 2020	USD £000	ZAR £000	AUD £000	INR £000	EUR £000	CAD £000	NZD £000
Impact on profit and equity for the year (in sterling)	113	25	87	7	1	60	5

The total benefit in sterling of a 5% weakening is £298k.

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.

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. Leases are at fixed effective interest rates with no interest rate risk.

The related party loans and revolving credit facility have now both been repaid, leaving the Group with no residual exposure to variable interest rates.

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	**2021 £000**	2020 £000
Trade receivables	3,167	4,839
Other receivables	1,623	84
Accrued income	583	618
Contract assets	242	66
Cash and cash equivalents	16,617	4,093
	22,232	**9,700**

The other receivables balance contains £1,317k as a final payment on the sale of OpenConnect. This sale is discussed in more detail in note 29. These funds are in escrow and are due to be paid to the Group on the first anniversary of the sale of OpenConnect. The Group fully expects that these funds will be received due to there being no ongoing disputes with the new owners of OpenConnect.

Accrued income is 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. Accrued income is 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.

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 routinely are 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 2018, 31 March 2019 and 31 March 2020 respectively and the corresponding historical credit losses experienced within this period.

25. Financial risk management continued

b) Credit risk continued

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.

The Group has no customers in countries designated as category one or category two by the Foreign and Commonwealth Office and therefore is not currently increasing credit risk due to the spread of Covid-19, however this is being kept under constant review as government guidelines are amended.

At 31 March	**2021 £000**	2020 £000
Not due	1,410	1,953
0-30 days overdue	585	1,221
31-60 days overdue	226	378
61-90 days overdue	945	1,217
91-120 days overdue	1	70
	3,167	**4,839**

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 £27k (2020: £7k) are included against its trade receivables.

The Group 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 Group 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. Specifically 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; and
- 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 Group. Where receivables have been written off, the Group 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 2021 were approximately £10,280k (March 2020: £10,862k).

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.

Detailed analysis of the debt facilities taken out and available to the Group are disclosed in note 19.

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

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**

At 31 March 2020	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	545	–	–	–	545	545
Other payables	32	–	–	–	32	32
Accruals	2,612	–	–	–	2,612	2,612
Bank loans	–	–	6,557	–	6,557	6,340
Related party loans	–	–	999	–	999	999
Lease liabilities	334	209	436	255	1,234	1,034
	3,523	**209**	**7,992**	**255**	**11,979**	**11,562**

The related party loans do not have formal repayment terms. However, as per the terms of the bank loans, they cannot be repaid ahead of those loans. They have therefore been shown as having the same repayment date as the bank loans.

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.

25. Financial risk management continued

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	2021 £000	20210 £000
Financial assets at amortised cost		
Trade and other receivables	5,615	5,607
Cash and cash equivalents	16,617	4,093
	22,232	**9,700**

At 31 March	2021 £000	20210 £000
Financial liabilities at amortised cost		
Borrowings	–	7,339
Trade and other payables	3,861	3,189
Lease liabilities	817	1,034
	4,678	**11,562**

Fair values and risk measurement

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

26. 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 2019	–	(999)	(1,025)	(2,024)	1,969	(55)
Cashflows	–	–	313	313	2,218	2,531
New loan/leases	(6,340)	–	(352)	(6,692)	–	(6,692)
Foreign exchange	–	–	30	30	(94)	(64)
Net debt at 31 March 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 net of disposals	–	–	(40)	(40)	–	(40)
Foreign exchange	–	–	7	7	(389)	(382)
Net debt at 31 March 2021	**–**	**–**	**(817)**	**(817)**	**16,617**	**15,800**

27. Related party transactions

During the year ended 31 March 2021, ActiveOps plc has fully repaid a loan from Neil Bentley, a former Director of the Company. At the previous year end, the balance outstanding was £535,859. Interest was payable on this loan at LIBOR plus 4%. During the year Neil Bentley received interest on the loan of £16,414 (2020: £25,025).

During the year ended 31 March 2021, ActiveOps plc has fully repaid a loan from Richard Jeffery, a Director of the Company. At the previous year end, the balance outstanding was £462,797. Interest was payable on this loan at LIBOR plus 4%. During the year Richard Jeffery received interest on the loan of £14,176 (2020: £21,613).

During the year ended 31 March 2020, ActiveOps plc repaid a loan from Charles Cawthorne, a former Director of the Company of £429. No interest was paid on this loan.

During the year ended 31 March 2020, ActiveOps plc repaid a loan from Bob Sime, a former Director of the Company of £99. No interest was paid on this loan.

The total amount of employee benefits received by key management personnel for their services to the Group during the year is disclosed in note 6.

28. Controlling party

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

29. Discontinued operations

The non-WorkiQ product related activities of OpenConnect were sold on 19 October 2020 and has been reported in both the year ended 31 March 2021 and the comparative year ended 31 March 2020 as a discontinued operation.

As OpenConnect was purchased on 1 August 2019, the financial performance and cash flow information presented are for the period 1 April 2020 to 19 October 2020 along with a comparative of 1 August 2019 to 31 March 2020.

	Period from 1 Apr 2020 to 19 Oct 2020 £000	Period from 1 Aug 2019 to 31 Mar 2020 £000
Income statement		
Revenue	**2,179**	**3,123**
Cost of sales	(394)	(205)
Gross profit	**1,785**	**2,918**
Administrative expense excluding depreciation and amortisation	(120)	(345)
Administrative expense – depreciation and amortisation only	(85)	(300)
Operating profit	**1,580**	**2,273**
Finance income	–	–
Financing costs	(5)	(5)
Profit before taxation	**1,575**	**2,268**
Taxation	(2)	(212)
Profit for the year from discontinued activities	**1,573**	**2,056**
Recycled foreign exchange from foreign exchange reserve through profit and loss	(59)	–
Gain on disposal of subsidiary after tax	10,269	–
Total comprehensive income for the year arising from discontinued operations	**11,783**	**2,056**
Cashflow statement		
Net cash generated from operating activities	1,409	311
Net cash generated from investing activities	14,654	(4,563)
Net cash used in financing activities	(5)	(4)
Net increase in cash generated by the subsidiary	**16,058**	**(4,256)**

29. Discontinued operations continued

The book value of the net assets disposed of in the sale of OpenConnect and the gain arising on disposal are as follows:

	2021 £000
Net assets disposed	
Intangible assets	3,917
Deferred tax liability on intangible assets	(744)
Goodwill	1,028
Deferred tax assets	896
Trade and other receivables	132
Cash and cash equivalents	551
Trade and other payables	(53)
Deferred income liability	(1,324)
Corporation tax liabilities	64
Net assets disposed	**4,467**
Consideration received	
Proceeds received/ receivable	15,205
Less direct costs incurred	(469)
	14,736
Gain on disposal excluding direct costs incurred	10,738
Gain on disposal	**10,269**

The sale of OpenConnect was for cash, however £1,317k is in an escrow account, and will be paid to the Group one year after the sale. This is included within other receivables in note 16.

30. Events after the reporting date

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

31. Conversion from UK GAAP to IFRS

As stated in note 2(a), these are the Group's first consolidated financial statements prepared in accordance with IFRS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2021, the comparative information presented in these financial statements for the year ended 31 March 2020 and in the preparation of an opening IFRS statement of financial position at 1 April 2019 (the Group's date of transition).

In preparing its opening IFRS statement of financial position, the Group has adjusted amounts reported previously in financial statements prepared in accordance with UK GAAP (previous GAAP). An explanation of how the transition from previous GAAP to IFRS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Reconciliation of equity – 1 April 2019

At 1 April 2019	UK GAAP £000	IFRS 16 £000	IFRS 3 £000	IFRS £000
Non-current assets				
Intangible assets	1,248	–	2,669	3,917
Property, plant and equipment	387	–	–	387
Right-of-use assets	–	952	–	952
Deferred tax assets	424	12	57	493
Total non-current assets	**2,059**	**964**	**2,726**	**5,749**
Current assets				
Trade and other receivables	4,176	(6)	–	4,170
Corporation tax recoverable	199	–	–	199
Cash and cash equivalents	1,969	–	–	1,969
Total current assets	**6,344**	**(6)**	**–**	**6,338**
Total assets	**8,403**	**958**	**2,726**	**12,087**
Equity				
Share capital	19	–	–	19
Share premium account	4,747	–	–	4,747
Share option reserve	205	–	–	205
Foreign exchange reserve	–	–	(189)	(189)
Retained earnings	(6,322)	(45)	1,856	(4,511)
Total equity	**(1,351)**	**(45)**	**1,667**	**271**
Non-current liabilities				
Lease liabilities	–	801	–	801
Borrowings	999	–	–	999
Provisions	–	50	–	50
Deferred tax liabilities	–	–	1,059	1,059
Total non-current liabilities	**999**	**851**	**1,059**	**2,909**
Current liabilities				
Trade and other payables	8,755	(72)	–	8,683
Lease liability	–	224	–	224
Total current liabilities	**8,755**	**152**	**–**	**8,907**
Total equity and liabilities	**8,403**	**958**	**2,726**	**12,087**

31. Conversion from UK GAAP to IFRS continued

Reconciliation of equity – 31 March 2020

At 31 March 2020	UK GAAP £000	IFRS 16 £000	IFRS 15 £000	IFRS 3 £000	IFRS £000
Non-current assets					
Intangible assets	6,773	–	–	5,106	11,879
Property, plant and equipment	388	–	–	–	388
Right-of-use assets	–	932	–	–	932
Deferred tax assets	1,796	22	(46)	35	1,807
Total non-current assets	**8,957**	**954**	**(46)**	**5,141**	**15,006**
Current assets					
Trade and other receivables	5,620	(8)	246	–	5,858
Corporation tax recoverable	255	–	–	–	255
Cash and cash equivalents	4,093	–	–	–	4,093
Total current assets	**9,968**	**(8)**	**246**	**–**	**10,206**
Total assets	**18,925**	**946**	**200**	**5,141**	**25,212**
Equity					
Share capital	19	–	–	–	19
Share premium account	4,755	–	–	–	4,755
Share option reserve	221	–	–	–	221
Foreign exchange reserve	(134)	(2)	12	(193)	(317)
Retained earnings	(8,192)	(89)	188	3,052	(5,041)
Total equity	**(3,331)**	**(91)**	**200**	**2,859**	**(363)**
Non-current liabilities					
Lease liabilities	–	715	–	–	715
Borrowings	7,339	–	–	–	7,339
Provisions	–	50	–	–	50
Deferred tax liabilities	–	–	–	2,282	2,282
Total non-current liabilities	**7,339**	**765**	**–**	**2,282**	**10,386**
Current liabilities					
Trade and other payables	14,917	(47)	–	–	14,870
Lease liability	–	319	–	–	319
Total current liabilities	**14,917**	**272**	**–**	**–**	**15,189**
Total equity and liabilities	**18,925**	**946**	**200**	**5,141**	**25,212**

Reconciliation of comprehensive income for the year ended 31 March 2020

Year ended 31 March 2020	UK £000	IFRS 16 £000	IFRS 15 £000	IFRS 5 £000	IFRS 3 £000	IFRS £000
Revenue	22,970	–	555	(3,123)	–	20,402
Cost of sales	(5,465)	–	–	205	–	(5,260)
Gross profit	**17,505**	**–**	**555**	**(2,918)**	**–**	**15,142**
Administrative expense excluding share option charges, depreciation, amortisation and exceptional items	(16,563)	355	–	345	(152)	(16,015)
Administrative expense – share option charges only	(16)	–	–	–	–	(16)
Administrative expense – depreciation and amortisation only	(1,959)	(304)	–	300	839	(1,124)
Administrative expense – exceptional expense only	(428)	–	–	–	–	(428)
Operating Loss	**(1,461)**	**51**	**555**	**(2,273)**	**687**	**(2,441)**
Finance income	23					23
Financing costs	(402)	(67)	–	5	–	(464)
Loss before taxation	**(1,840)**	**(16)**	**555**	**(2,268)**	**687**	**(2,882)**
Taxation	(30)	2	(112)	212	224	296
Loss for the year from continuing activities	**(1,870)**	**(14)**	**443**	**(2,056)**	**911**	**(2,586)**
Profit for the year from discontinued activities, net of tax	–	–	–	2,056	–	2,056
Loss for the year	**(1,870)**	**(14)**	**443**	**–**	**911**	**(530)**
Other comprehensive income						
Items that may be subsequently reclassified to profit or loss:						
Exchange differences on translating foreign operations	(134)	(2)	12	–	(4)	(128)
Total comprehensive income/ (loss) for the year attributable to the owners of the parent Company	**(2,004)**	**(16)**	**455**	**–**	**907**	**(658)**

The exceptional expense as shown above of £428k was included within administrative expenses in the UK GAAP 31 March 2020 financial statements. This exceptional expense is further discussed in note 8.

Notes to the Financial Statements continued
for the year ended 31 March 2021

31. Conversion from UK GAAP to IFRS continued

Reconciliation of statement of cash flows for the year ended 31 March 2020

Year ended 31 March 2020	UK £000	IFRS 16 £000	IFRS 15 £000	IFRS 3 £000	Sundry £000	IFRS £000
Loss after tax	**(1,870)**	**(14)**	**441**	**913**	**–**	**(530)**
Taxation	30	(2)	112	(224)	–	(84)
Finance income	(23)	–	–	–	–	(23)
Financing costs	402	67	–	–	–	469
Operating loss	**(1,461)**	**51**	**553**	**689**	**–**	**(168)**
Adjustments for:						
Depreciation property, plant and equipment	223	–	–	–	–	223
Depreciation right of use asset	–	304	–	–	–	304
Amortisation of intangible assets	1,736	–	–	(839)	–	897
Profit on sale of discontinued operations	–	–	–	–	–	–
Share option charge	16	–	–	–	–	16
Loss on disposal of non-current assets	1	–	–	–	–	1
Change in trade and other receivables	(939)	2	(206)	–	(7)	(1,150)
Change in trade and other payables	1,886	23	(347)	–	–	1,562
Cash from operations	**1,462**	**380**	**–**	**(150)**	**(7)**	**1,685**
Interest paid	(402)	(67)	–	–	–	(469)
Taxation paid	(445)	–	–	–	5	(440)
Net cash generated from operating activities	**615**	**313**	**–**	**(150)**	**(2)**	**776**
Investing activities						
Purchase of property, plant and equipment	(52)	–	–	–	–	(52)
Proceeds on disposal of property, plant and equipment	1	–	–	–	(1)	–
Purchase of software	–	–	–	–	–	–
Interest received	23	–	–	–	–	23
Sale of subsidiary (net of cash included in disposal)	–	–	–	–	–	–
Acquisition of subsidiary (net of cash acquired)	(4,724)	–	–	150	11	(4,563)
Net cash used in investing activities	**(4,752)**	**–**	**–**	**150**	**10**	**(4,592)**
Financing activities						
Proceeds from issue of shares	8	–	–	–	–	8
Repayment of related party loans	–	–	–	–	(1)	(1)
Repayment of lease liabilities	–	(313)	–	–		(313)
Proceeds of bank borrowings	6,340	–	–	–	–	6,340
Net cash generated from financing activities	**6,348**	**(313)**	**–**	**–**	**(1)**	**6,034**
Net change in cash and cash equivalents	2,211	–	–	–	7	2,218
Cash and cash equivalents at beginning of the year	1,969					1,969
Effect of foreign exchange on cash and cash equivalents	(87)	–	–	–	(7)	(94)
Cash and cash equivalents at end of the year	**4,093**	**–**	**–**	**–**	**–**	**4,093**

Business combination exemption

The Group elected to apply IFRS 3 retrospectively to all business combinations that occurred on or after 1 April 2017. This includes the acquisition of the Australian subsidiaries on 1 April 2017 and the acquisition of OpenConnect on 1 August 2019.

This required acquisition-related costs of £245k for Australia and £147k for OpenConnect to be expensed under IFRS 3. OpenConnect had various adjustments required under both IFRS 16 and IFRS 15.

Remaining goodwill relating to business combinations that occurred prior to 1 April 2017 was tested for impairment even though no impairment indicators were identified. No impairment existed at the date of transition.

Reconciliation of intangible assets as at 31 March 2019 and 31 March 2020 between UK GAAP and IFRS

Intangible assets have moved in value at 31 March 2019 and 31 March 2020 due to the different treatment of the acquisition of both the Australian and subsequently the OpenConnect subsidiaries. The below table explains this movement, which is then further analysed in the subsequent discussion of each acquisition in turn.

	Goodwill £000	Customer relationships £000	Purchased software £000	Total £000
Year end 31 March 2019				
UK GAAP				
Cost of intangibles due to Australian acquisition	3,744	–	–	3,744
Amortisation of Australian acquisition to 31 March 2019	(2,496)	–	–	(2,496)
UK GAAP net book value at 31 March 2019	**1,248**	**–**	**–**	**1,248**
IFRS				
Cost of intangibles due to Australian acquisition	577	4,174	–	4,751
Amortisation of Australian acquisition to 31 March 2019	–	(834)	–	(834)
IFRS net book value at 31 March 2019	**577**	**3,340**	**–**	**3,917**
Change in GAAP				
Change in net book value at 31 March 2019 from UK GAAP to IFRS	**(671)**	**3,340**	**–**	**2,669**
Year end 31 March 2020				
UK GAAP				
Cost of intangibles due to Australian acquisition	3,744	–	–	3,744
Amortisation of Australian acquisition to 31 March 2020	(3,744)	–	–	(3,744)
Cost of intangibles due to OpenConnect acquisition	7,327	–	–	7,327
Foreign exchange for OpenConnect intangibles	(69)	–	–	(69)
Amortisation of OpenConnect acquisition to 31 March 2020	(485)	–	–	(485)
UK GAAP net book value at 31 March 2020	**6,773**	**–**	**–**	**6,773**
IFRS				
Cost of intangibles due to Australian acquisition	577	4,174	–	4,751
Amortisation of Australian acquisition to 31 March 2020	–	(1,253)	–	(1,253)
Cost of intangibles due to OpenConnect acquisition	1,674	6,736	545	8,955
Foreign exchange for OpenConnect intangibles	18	(106)	(8)	(96)
Amortisation of OpenConnect acquisition to 31 March 2020	–	(442)	(36)	(478)
IFRS net book value at 31 March 2020	**2,269**	**9,109**	**501**	**11,879**
Change in GAAP				
Change in net book value at 31 March 2020 from UK GAAP to IFRS	**(4,504)**	**9,109**	**501**	**5,106**

The Group has taken the allowed exemption under IFRS 1 to only apply the IAS 21 requirement to value the fair value of the intangible assets and goodwill arising in business combinations that have occurred since the transition date of 1 April 2019 as being in the functional currency of the subsidiary. This means that the intangible assets acquired in the Australian acquisition are recorded in sterling. There is foreign exchange on the OpenConnect intangibles as shown above.

31. Conversion from UK GAAP to IFRS continued

Reconciliation of purchase of the Australian subsidiaries during the year ended 31 March 2018, and impact of IFRS 3.

The only intangible recognised under UK GAAP for the purchase of Australia was goodwill, which was then amortised over three years. By applying IFRS 3 the only change is the removal of the expense related to the acquisition from the investment value, which in turn reduced the intangibles.

The impact arising from the change is summarised as follows:

	Intangible assets £000
Intangible assets recognised under UK GAAP for Australian acquisition (all recorded as goodwill).	3,744
Reduction due to expense of acquisition costs	(245)
Intangible assets recognised under IFRS 3 for Australian acquisition	**3,499**
This is split under IFRS 3 as:	
Customer relationships	4,174
Deferred tax on intangible assets	(1,252)
Goodwill	577
	3,499

Previously, the goodwill recognised on acquisition under UK GAAP was being amortised over three years, and so at 1 April 2019 only a third (£1,248k) remained, and by 31 March 2020 it had been fully amortised. Under IFRS 3, the Group has placed a 10 year life on the customer relationships. It is being amortised over that period. This slower rate of amortisation has significantly increased the intangible on the Group balance sheet.

Reconciliation of purchase of OpenConnect during the year ended 31 March 2020, and impact of IFRS 3, IFRS 15 and IFRS 16.

On 1 August 2019, the Group acquired 100% of the issued share capital of OpenConnect. The below table reconciles the treatment of this acquisition under UK GAAP and IFRS.

OpenConnect has been accounted for using the purchase method of accounting. At 1 August 2019 (the acquisition date) the assets and liabilities of OpenConnect were consolidated at their fair value to the Group, as set out below:

	UK GAAP £000	IFRS 16 £000	IFRS 15 £000	IFRS 5 £000	IFRS 3 £000	IFRS £000
Fair value of assets and liabilities						
Right of use asset	–	161	–	–	–	161
Property, plant and equipment	191	–	–	–	–	191
Debtors	645	–	–	–	–	645
Cash and cash equivalents	237	–	–	–	–	237
Deferred tax asset	1,071	8	68	–	–	1,147
Creditors	(4,524)	(199)	(323)	–	–	(5,046)
Total identifiable net assets	**(2,380)**	**(30)**	**(255)**	**–**	**–**	**(2,665)**
Intangible assets						
Customer relationships	–	–	–	–	6,736	6,736
Purchased software	–	–	–	–	545	545
Deferred tax on intangible assets	–	–	–	–	(1,490)	(1,490)
Goodwill	7,327	30	255	–	(5,938)	1,674
Total consideration	**4,947**	**–**	**–**	**–**	**(147)**	**4,800**
The consideration was satisfied by:						
Cash on acquisition	4,800	–	–	–	–	4,800
Acquisition costs	147	–	–	–	(147)	–
Total consideration	**4,947**	**–**	**–**	**–**	**(147)**	**4,800**

Under UK GAAP, the Group placed a 10-year life on the goodwill. Under IFRS 3, the Group has placed a 10 year life on the customer relationships and purchased software. The continuing intangible assets are being amortised over that period.

Application of IFRS 5
The revenues and costs of the part of OpenConnect that was sold on the 19 October 2020 have been shown in the reconciliation of comprehensive income for the year ended 31 March 2020 as being recorded under the single heading of profit for the year from discontinued operations.

Application of IFRS 16 to the financial statements
IFRS 16 has been applied as part of the move from UK GAAP to IFRS. The standard requires lessees to recognise right-of-use assets and lease liabilities for all leases meeting the lease definition set out by the standard unless certain exemptions are available.

We have recognised arrangements previously disclosed as operating lease commitments at 31 March 2019 on the balance sheet. The key driver is our portfolio of leased buildings.

The Group has chosen to adopt IFRS 16 on a fully retrospective basis. On transition to IFRS, the Group recognised lease liabilities by discounting all payments payable under lease arrangements using an appropriate incremental borrowing rate. The Group recognised right-of-use assets equivalent to the corresponding lease liabilities, adjusted for pre-existing prepaid lease payments, accrued lease expenses, and related decommissioning provisions.

The Group has elected to make use of the practical expedients and exemptions available under IFRS 16 to exclude low-value leases and short-term leases from the IFRS 16 accounting model, i.e. they are accounted for as operating expenditure.

The Group has presented right-of-use assets and the current and non-current elements of lease liabilities on the face of the consolidated balance sheet. Additionally, to support the additional lessee accounting disclosure requirements introduced by IFRS 16 there is a dedicated note (note 14) which explains movements in the right-of-use assets during the year, along with other relevant disclosures, accounting policies and judgements. The cash flow statement has been revised to present the element of cash lease payments attributable to lease interest expense and the element attributable to repayment of lease liabilities within cash flows from financing activities.

Application of IFRS 15 to the financial statements
IFRS 15 sets out the requirements for recognising revenue and costs from contracts with customers and includes extensive disclosure requirements. The standard requires the apportionment of revenue earned from contracts to individual promises, or performance obligations, on a relative stand-alone selling price basis, based on a five-step model.

The financial impact of each revenue type is as follows:
- SaaS income is not impacted. The Group has previously recognised this income over time and continues to do so under IFRS 15.
- Training and Implementation ('T&I') revenue is now potentially recognised earlier than it was under GAAP. For some contracts, the Group has occasionally put in place arrangements by which the Group can only receive payment for some of the T&I income by achieving levels of success during the first full year of operation. Under UK GAAP, these incomes were only recognised once the required improvement in a customer's operations had been achieved. Based on historical observations, the most probable consideration associated with T&I contracts is the total revenue including the additional amounts earned through meeting the required targets. As a result, the Group is obliged by IFRS 15 to recognise this additional income in line with other non-conditional revenue in the contract. The Group has no such contracts in place at 31 March 2019, and therefore has no IFRS 15 adjustment to the reconciliation of equity statement at 1 April 2019. At 31 March 2020 the Group had such contracts in place and therefore £246k of additional revenue was recognised in the year to 31 March 2020.
- Most of the revenues within the discontinued part of OpenConnect are for the sale of software, but there were instances where a bundle of different products were sold to a customer, and not all of these products were installed by the customer at the beginning of the licensing period. Under UK GAAP, this income was recognised over the life of the contract regardless of whether the software was installed. Under IFRS 15, some income is delayed until either the software is actually installed, or recognised at the end of the licensing period. This impacted the opening assets of OpenConnect at acquisition as £323k of additional deferred revenue has now been included.

The above additional T&I revenue of £246k plus the opening asset adjustment of OpenConnect of £323k has resulted in £555k additional revenue and £14k of foreign exchange differences being recognised in the year ended 31 March 2020.

Company Statement of Financial Position

for the year ended 31 March 2021

At 31 March	Notes	2021 £000	2020 £000	2019 £000
Non-current assets				
Intangible assets	C4	27	–	–
Property, plant and equipment	C5	168	225	323
Right-of-use assets	C6	615	717	820
Investments	C7	6,380	8,656	3,856
Deferred tax assets	C12	–	624	422
Total non-current assets		**7,190**	**10,222**	**5,421**
Current assets				
Trade and other receivables	C8	5,090	5,432	4,335
Corporation tax recoverable		11	12	12
Cash and cash equivalents		12,186	593	857
Total current assets		**17,287**	**6,037**	**5,204**
Total assets		**24,477**	**16,259**	**10,625**
Equity				
Share capital		71	19	19
Share premium account		6,430	4,755	4,747
Share option reserve		3	221	205
Retained earnings		3,632	(6,043)	(5,048)
Total equity		**10,136**	**(1,048)**	**(77)**
Non-Current liabilities				
Lease liabilities	C6	592	696	793
Borrowings	C10	–	7,339	999
Provisions	C11	50	50	50
Total non-current liabilities		**642**	**8,085**	**1,842**
Current liabilities				
Trade and other payables	C9	13,595	9,125	8,769
Lease liability	C6	104	97	91
Total current liabilities		**13,699**	**9,222**	**8,860**
Total equity and liabilities		**24,477**	**16,259**	**10,625**

ActiveOps plc reported a profit for the period of £9,416k (2020: loss of £995k).

The financial statements of ActiveOps plc were approved and authorised for issue by the Board of Directors on 3 August 2021 and were signed on its behalf by:

Paddy Deller,
Director and Group CFO

The notes on pages 110 to 117 form part of these financial statements.

Company Statement of Changes in Equity
for the year ended 31 March 2021

Year ended 31 March	Share capital £000	Share premium £000	Share option reserve £000	Retained earnings £000	Total £ 000
At 1 April 2019	**19**	**4,747**	**205**	**(5,048)**	**(77)**
Loss for the year	–	–	–	(995)	(995)
Total comprehensive loss for the year	**–**	**–**	**–**	**(995)**	**(995)**
Transactions with owners, recorded directly in equity					
Share-based payment charge	–	–	16	–	16
Issue of shares	–	8	–	–	8
Total transactions with owners	**–**	**8**	**16**	**–**	**24**
At 31 March 2020	**19**	**4,755**	**221**	**(6,043)**	**(1,048)**

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**

The notes on pages 110 to 117 form part of these financial statements.

Notes to the Company Financial Statements
for the year ended 31 March 2021

C1. Accounting policies

Basis of preparation

The financial statements are for the year ended 31 March 2021. 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 to the consolidated financial statements have been applied in the preparation of these financial statements.

The Company has used a transition date of the 1 April 2019 for the move to FRS 101. Prior to that date the Company reported in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Company has made no significant accounting estimates and judgements in the preparation of these financial statements.

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 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 of the Company during the year was:

Number of employees	**2021**	2020
Sales and Marketing	9	16
Information Technology and Product	30	20
Client Services	14	16
Management and Other	18	13
	71	**65**

'Management and other' includes two Non-executive Directors.

Their average remuneration compromised:

For the year ended 31 March	**2021 £000**	2020 £000
Wages and salaries	5,378	4,360
Social security costs	681	719
Pensions costs	293	238
Share option charges	42	16
	6,394	**5,333**

C4. Intangible assets

	Purchased software £000	Intellectual property rights £000	Total £000
Cost			
At 1 April 2019	–	125	125
At 31 March 2020	**–**	**125**	**125**
Additions	30	–	30
At 31 March 2021	**30**	**125**	**155**
Accumulated depreciation			
At 1 April 2019	–	125	125
At 31 March 2020	**–**	**125**	**125**
Provided during the period	3	–	3
At 31 March 2021	**3**	**125**	**128**
Carrying amount			
At 31 March 2021	**27**	**–**	**27**
At 31 March 2020	–	–	–

C5. Property, plant and equipment

	Leasehold improvements £000	Plant and machinery £000	Fixtures, fittings and equipment £000	Total £000
Cost				
At 1 April 2019	121	207	427	755
Additions	–	22	11	33
Disposals	(1)	(80)	(51)	(132)
At 31 March 2020	**120**	**149**	**387**	**656**
Additions	–	37	–	37
At 31 March 2021	**120**	**186**	**387**	**693**
Accumulated depreciation				
At 1 April 2019	76	138	218	432
Provided during the period	38	35	57	130
Disposals	–	(80)	(51)	(131)
At 31 March 2020	**114**	**93**	**224**	**431**
Provided during the period	6	37	51	94
At 31 March 2021	**120**	**130**	**275**	**525**
Carrying amount				
At 31 March 2021	**–**	**56**	**112**	**168**
At 31 March 2020	6	56	163	225

Notes to the Company Financial Statements continued
for the year ended 31 March 2021

C6. Right-of-use assets and lease liabilities

	Buildings £000
Net book value	
At 1 April 2019	820
Depreciation charge for the year	(103)
At 31 March 2020	**717**
Depreciation charge for the year	(102)
At 31 March 2021	**615**

The right-of-use asset relates to the property leases for operating premises for the Company.

Amounts recognised in the statement of financial position:

At 31 March	**2021 £000**	2020 £000
Lease liabilities		
Current	104	97
Non-current	592	696
	696	**793**

C7. Investment in subsidiaries

Shares in Group undertakings	£000
At 1 April 2019	3,856
Additions	4,800
At 31 March 2020	**8,656**
Additions	737
Disposals	(3,013)
At 31 March 2021	**6,380**

On 19 October 2020, the Company sold 100% of the share capital of OpenConnect. See note 29 to the consolidated financial statements. When OpenConnect was sold one product, WorkiQ, was retained by the Group. The value of the disposed investments was reduced to reflect the intangible assets of to OpenConnect that were associated with WorkiQ and therefore retained within the Group.

The addition reflects a capital contribution to ActiveOps USA Inc. that was made to add various assets and liabilities that related to WorkiQ.

Details of the Group's subsidiaries at 31 March 2021 are included in note 15 to the consolidated financial statements.

C8. Trade and other receivables

At 31 March	**2021 £000**	2020 £000
Trade receivables	1,219	2,367
Prepayments & Accrued Income	754	490
Amounts due from Group undertakings	1,644	2,540
Other receivables	1,473	35
	5,090	**5,432**

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. 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	2021 £000	2020 £000
Trade payables	640	442
Other taxation and social security	4,110	689
Amounts due to Group undertakings	3,031	2,428
Other payables	–	1
Accruals and deferred income	5,814	5,565
	13,595	**9,125**

C10. Borrowings

At 31 March	2021 £000	2020 £000
Non-current liabilities		
Bank loans	–	6,340
Related party loans	–	999
	–	7,339
Lease liability	592	696
	592	**8,035**
Current liabilities		
Lease liability	104	97
Total borrowings	**696**	**8,132**

In July 2019, the Company obtained an £11.5m revolving credit facility scheduled to last until the end of 31 July 2022. This facility incurred interest at the higher of LIBOR or 1%, plus a further 4%. The Company incurred loan arrangement fees of £279k.

The related party loans bear interest at LIBOR plus 4% which is calculated daily. None of the loans have formal repayment terms, but they could not be repaid ahead of the bank loans. Following the sale of OpenConnect the bank loans and the related party loans were both fully settled. See note 27 of the consolidated financial statements for further details.

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

Notes to the Company Financial Statements continued
for the year ended 31 March 2021

C11. Provisions

At 31 March	2021 £000	2020 £000
Provisions brought forward	50	50
Provisions carried forward	**50**	**50**

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. These costs have been capitalised as part of the right-of-use asset and are amortised over the shorter of the term of the lease and the useful life of the assets.

C12. Events after the reporting date

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

At 31 March	2021 £000	2020 £000
Deferred tax assets	–	624

The elements of the deferred taxation are as follows:

At 31 March	2021 £000	2020 £000
Tax losses carried forward	–	616
Other short-term timing differences	–	43
Accelerated capital allowances	–	(35)
	–	**624**

C13. Conversion from FRS 102 to FRS 101

The accounting policies set out in note 2 to the consolidated financial statements have been applied in preparing the financial statements for the year ended 31 March 2021, the comparative information presented in these financial statements for the year ended 31 March 2020 and in the preparation of an opening FRS 101 statement of financial position at 1 April 2019 (the Company's date of transition).

In preparing its opening FRS 101 statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with FRS 102 (previous GAAP). An explanation of how the transition from previous GAAP to FRS 101 has affected the Company's financial position is set out in the following tables and the notes that accompany the tables.

Below is the reconciliation from the previously published FRS 102 balance sheet to the FRS 101 balance sheet as at 1 April 2019.

At 1 April 2019	FRS 102 £000	IFRS 16 £000	IFRS 3 £000	IFRS £000
Non-current assets				
Intangible assets	–	–	–	–
Property, plant and equipment	323	–	–	323
Right-of-use assets	–	820	–	820
Investments	4,101	–	(245)	3,856
Deferred tax assets	413	9	–	422
Total non-current assets	**4,837**	**829**	**(245)**	**5,421**
Current assets				
Trade and other receivables	4,340	(5)	–	4,335
Corporation tax recoverable	12	–	–	12
Cash and cash equivalents	857	–	–	857
Total current assets	**5,209**	**(5)**	**–**	**5,204**
Total assets	**10,046**	**824**	**(245)**	**10,625**
Equity				
Share capital	19	–	–	19
Share premium account	4,747	–	–	4,747
Share option reserve	205	–	–	205
Profit or loss account	(4,763)	(40)	(245)	(5,048)
Total equity	**208**	**(40)**	**(245)**	**(77)**
Non-current liabilities				
Lease liabilities	–	793	–	793
Borrowings	999	–	–	999
Provisions	–	50	–	50
Deferred tax liabilities	–	–	–	–
Total non-current liabilities	**999**	**843**	**–**	**1,842**
Current liabilities				
Trade and other payables	8,839	(70)	–	8,769
Lease liability	–	91	–	91
Total current liabilities	**8,839**	**21**	**–**	**8,860**
Total equity and liabilities	**10,046**	**824**	**(245)**	**10,625**

C13. Conversion from FRS 102 to FRS 101 continued

Below is the reconciliation from the previously published FRS 102 balance sheet to the FRS 101 balance sheet as at 31 March 2020.

At 31 March 2020	FRS 102 £000	IFRS 16 £000	IFRS 15 £000	IFRS 3 £000	FRS 101 £000
Non-current assets					
Intangible assets	–	–	–	–	–
Property, plant and equipment	225	–	–	–	225
Right-of-use assets	–	717	–	–	717
Investments	9,048	–	–	(392)	8,656
Deferred tax assets	655	16	(47)	–	624
Total non-current assets	**9,928**	**733**	**(47)**	**(392)**	**10,222**
Current assets					
Trade and other receivables	5,193	(7)	246	–	5,432
Corporation tax recoverable	12	–	–	–	12
Cash and cash equivalents	593	–	–	–	593
Total current assets	**5,798**	**(7)**	**246**	**–**	**6,037**
Total assets	**15,726**	**726**	**199**	**(392)**	**16,259**
Equity					
Share capital	19	–	–	–	19
Share premium account	4,755	–	–	–	4,755
Share option reserve	221	–	–	–	221
Profit or loss account	(5,780)	(70)	199	(392)	(6,043)
Total equity	**(785)**	**(70)**	**199**	**(392)**	**(1,048)**
Non-current liabilities					
Lease liabilities	–	696	–	–	696
Borrowings	7,339	–	–	–	7,339
Provisions	–	50	–	–	50
Deferred tax liabilities	–	–	–	–	–
Total non-current liabilities	**7,339**	**746**	**–**	**–**	**8,085**
Current liabilities					
Trade and other payables	9,172	(47)	–	–	9,125
Lease liability	–	97	–	–	97
Total current liabilities	**9,172**	**50**	**–**	**–**	**9,222**
Total equity and liabilities	**15,726**	**726**	**199**	**(392)**	**16,259**

IFRS 16
The Company leases its head office. The lease was started in March 2017 and is due to expire in March 2027. Both the Company and the Group have chosen to apply IFRS 16 fully retrospectively, and therefore there is a significant liability and asset brought onto the balance sheet reflecting the discounted future cashflows and the remaining right-of-use asset. The provision of £50k represents the best estimate of the cost of removing all lease improvements at the end of the lease.

IFRS 15
Training and Implementation ('T&I') revenue is now potentially recognised earlier than before. For some contracts, the Company has occasionally put in place arrangements by which the Company can only receive payment for some of the T&I income by achieving levels of success during the first full year of operation. Under FRS 102, these incomes were only recognised once the required improvement in a customer's operations had been achieved. As these targets have always been achieved, the Company is obliged by IFRS 15 to recognise this additional income at the start of a contract. The Company has no such contracts in place at 31 March 2019, and therefore has no IFRS 15 adjustment to the reconciliation of equity statement at 1 April 2019.

IFRS 3
Under FRS 102, legal fees and other similar cost that directly related to the purchase of a subsidiary could be included within investments. Under FRS 101 these are excluded.

Supplementary Information

PRESENTED IN ADDITION

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.

In light of the continued uncertainty in respect of Covid-19 and our ongoing commitment to protect the health and wellbeing of our shareholders, physical attendance and voting in person at the AGM will not be permitted at this year's AGM. The only people permitted to physically attend the AGM will be those necessary to form a quorate meeting. 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 may remotely attend the AGM via a telephone conference facility, details of which will be provided on the Company's website. Shareholders may also submit written questions 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.

Shareholders will not be able to vote by attending the teleconference facility. You are therefore encouraged, regardless of the number of shares you own, to appoint the Chair of the AGM as your proxy to ensure your vote is counted.

Notice of Annual General Meeting
The 2021 annual general meeting of ActiveOps plc ('the Company') will be held at One Valpy, 20 Valpy Street, Reading, England, RG1 1AR at 09:00 a.m. on 30 September 2021 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 2021.
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;
   (b) incur political expenditure (as defined in section 365 of the Companies Act 2006) not exceeding £10,000, in aggregate; and
   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 £47,547.12 comprising:
   (a) an aggregate nominal amount of £23,773.56 (whether in connection with the same offer or issue as under (b) below or otherwise); and
   (b) an aggregate nominal amount of £23,773.56 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 2022, 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 £3,566.03.

    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 £3,566.03; 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 7,132,068 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
24 August 2021

Registered office:
One Valpy, 20 Valpy Street, Reading, England, RG1 1AR Registered in England and Wales No. 03125867

Notice of Annual General Meeting continued

Notes

1. As a shareholder, you would ordinarily have the right to attend, speak and vote at the AGM or at any adjournment(s) thereof. However, in light of the continued uncertainty in respect of Covid-19 and our ongoing commitment to protect the health and wellbeing of our shareholders, physical attendance and voting in person at the AGM will not be permitted. The only people permitted to physically attend the AGM will be those necessary to form a quorate meeting. 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 may remotely attend the AGM via a telephone conference facility, details of which will be provided on the Company's website. Shareholders may also submit written questions in advance by sending an email to investors@activeops.com or via the Company's website. 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. Shareholders will not be able to vote by attending the teleconference facility. You are therefore encouraged, regardless of the number of shares you own, to appoint the Chair of the AGM as your proxy to ensure your vote is counted.
4. 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. 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. We are asking that shareholders appoint the Chair of the AGM this year as their proxy. If a shareholder appoints someone else as their proxy, that proxy will not be able to attend the AGM in order to cast the shareholder's vote.
5. 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 for overseas +44 (0)121 415 7047.
6. 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 notary 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 7 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 9:00 a.m. on 28 September 2021.
7. 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.
8. 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 & Ireland 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 paragraph 6 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.
9. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland 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.
10. 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.
11. Only those shareholders included in the register of members of the Company at 6:30 p.m. on 28 September 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. References in these notes to 'attend' should however be construed in light of the Covid-19 restrictions, as summarised in the Notice of AGM, which is by means of the teleconference facility provided.
12. To the extent practicable in the present circumstances, 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) until the end of the AGM.

Explanatory Notes to the Notice of Annual General Meeting

The notice of the Annual General Meeting of the Company to be held on 30 September 2021 is set out on pages 118-119 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 2021. 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 66.

Resolutions 2 to 6 – Reappointment of the Directors

The Company's articles of association require that any Director who was not appointed or reappointed at either of the last two annual general meetings before this meeting must retire, although they may offer themselves for reappointment. Given this is the first AGM since the adoption of the revised articles with this requirement, all the Directors are retiring and seeking reappointment. 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 48. 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 £47,547.12, which represents an amount which is approximately equal to two-thirds of the issued ordinary share capital of the Company as at 23 August 2021, 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.

Notice of Annual General Meeting continued

Explanatory Notes to the Notice of Annual General Meeting continued

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 £3,566.03 (up to 3,566,030 new ordinary shares of 0.1 pence each). This amount represents approximately 5% of the Company's issued share capital as at 23 August 2021, 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 23 August 2021, 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 23 August 2021, 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. This authority will only be exercised if market conditions make it advantageous to do so.

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 23 August 2021, 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 33,000, representing approximately 0.05% 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 0.05% of the Company's issued share capital.

Company Information

Company number
03125867

Directors
Richard Jeffery (CEO)
Paddy Deller (CFO)
Sean Finnan (Non-executive Chairman)
Hilary Wright – (Non-executive)
Mike McLaren – (Non-executive)

Company secretary
Rebecca Hughes

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