

14 November 2023

ActiveOps Plc

("ActiveOps", "the Company", "the Group")

Interim Results for the six months ended 30 September 2023

ActiveOps plc (AIM: AOM), a leading provider of Decision Intelligence for service operations, is pleased to announce its unaudited results for the six months ended 30 September 2023.

Financial Highlights:

<i>Six months ended 30 September</i>	H1 FY24	H1 FY23	Change
Annual Recurring Revenue "ARR" ¹	£23.7m	£22.1m	+7%
Net Revenue Retention "NRR" ² on an annualised basis	104%	109%	-5ppts
Total Revenue	£13.1m	£12.3m	+7%
Software & Subscription revenue	£11.8m	£10.9m	+8%
Training & Implementation "T&I" revenue	£1.3m	£1.4m	-1%
Gross margin	84%	81%	+3ppts
Adjusted EBITDA ³	£0.8m	£0.3m	+167%
Profit/(loss) before tax	£0.1m	(£0.5m)	-
Earnings/ (loss) per share on continuing operations	(0.14p)	(0.99p)	+86%
Net cash and cash equivalents	£9.9m	£11.0m	-10%

- ARR¹ growth of 7%, or 15% at constant currency
- Growth of constant currency NRR to 111% thanks to healthy expansions performance
- Adjusted EBITDA³ up 167% to £0.8m (H1 FY23: £0.3m), driven by consistently strong gross margins and good cost control
- Achievement of Profit before Tax
- Cash conversion⁴ negative in the period due to seasonality of renewals cycle. Expected to move to a positive position before year end with significant renewals in H2
- Balance sheet remains debt free with £9.9m cash in the bank (H1 FY23: £11.0m), with a balance of £12.0m by 31 October 23

Operational Highlights

- Growth in the period largely driven by expansion within existing customer base, but supported by the addition of two new logos which offer large land & expand opportunities in the future. Six of the Group's top 10 accounts expanded usage of ActiveOps products in the half
- Launch of ControlIQ Series 3, which enables customers to take advantage of the latest in AI tools for the back-office
- Ongoing investment in innovation will see the launch of ControlIQ Series 4 in 2024

Outlook

- Successful re-brand and increased focus on marketing resulting in a better developed sales pipeline, however continuing to see extended timescales for completing the contracting phase of sales, due to the wider macro environment
- Confident in an acceleration in ARR growth rate by year end and delivery of revenue and EBITDA for FY24 in line with Board expectations

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

“Every day, operational leaders are being asked to do more with less. The investments we have made into our solutions are helping our enterprise customers do just that, with increasing ease. The first half of the year has seen the launch of the most sophisticated version of our ControliQ offering to date and we have been successful in expanding the scope of use of our products within our customer base. While contracting cycles continue to be elongated, our focused marketing efforts mean our sales pipeline continues to build.

“The growing breadth and increasing sophistication of our offering, our blue-chip customer base, geographic reach, and new pricing tiers, all provide us with the opportunity to accelerate ARR growth in H2 and beyond and we look to the future with continued confidence.”

Footnote to Financial highlights

The above non-GAAP measures are unaudited

1. Annual Recurring Revenue is recurring revenue from contracts with customers
2. Net Revenue Retention is the percentage of recurring revenue retained from existing customers
3. Adjusted EBITDA is used by management to assess the trading performance of the business. Defined as Operating profit before depreciation, amortisation, share-based payment charges and exceptional items and includes FX differences.
4. Cash conversion is defined as Cash generated from Operations in the Consolidated Statement of Cash Flows, adjusted to exclude cash payments for exceptional items as a percentage of adjusted EBITDA.

For more information, please contact:

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About ActiveOps

The Company's offerings provide predictive and prescriptive insight to help service operations make better decisions - faster. The Company's AI-powered SaaS solutions are underpinned by 15+ years of operational data and its AOM methodology that's proven to drive cross department decision-making.

With Decision Intelligence, ActiveOps' customers deliver MORE - release 20%+ capacity within the first 12 months and boost productivity by 30%+ leading to MORE business impact. Customer turnaround times are improved substantially, costs are reduced, SLAs are met, and employees are happier and more engaged.

The Company has 180 employees, serving a global customer base of over 80 enterprise customers from offices in the UK, Ireland, USA, Australia, India and South Africa. The Group's customers are predominantly in the banking, insurance, healthcare administration and business process outsourcing (BPO) sectors, including Nationwide, TD Bank, Elevance and DXC Technology.

CEO STATEMENT

The half has seen solid commercial, financial and operational progress across the Group, thanks to the successful execution of our growth strategy by the whole ActiveOps team. We continue to deliver on our clear targets, both in terms of our land & expand sales strategy and product roadmap, underpinning our performance and continued success. We have entered the second half of the year with a well-developed sales and renewal pipeline across all markets and offerings, providing confidence in a strong H2 performance and acceleration in our ARR growth rate.

In the half we achieved two customer wins and multiple customer expansions, as demonstrated by the growth in our constant currency NRR to 111% (H1 FY23: 109%). Highlights include Nedbank expanding its use of ControlIQ into new areas and our first major WorkiQ customer adopting ControlIQ. CaseworkiQ continues to generate interest across our customer base, with amongst others a second leading UK bank and a large managed services organisation adopting the product alongside their existing ControlIQ deployments. Looking ahead, we anticipate expansion continuing to be a key driver for the Group, as we see a growing trend of organisations looking to adopt enterprise wide solutions. We are also starting to see additional areas of demand, such as our US based WorkiQ customers exploring the adoption of ControlIQ.

With the launch of ControlIQ Series 3 in the period, our product teams have begun the rollout and implementation of Artificial Intelligence (AI), especially Machine Learning (ML) technologies, increasing the competitive strength and attractiveness of our offerings. We have simultaneously carried out a repositioning of the business as a provider of Decision Intelligence for service operations, blending AI and human intelligence to deliver the most complete and useful set of predictive and prescriptive insights for service operations. The message is resonating well across the customer base and target markets at a time of general macroeconomic caution, when companies wish to do more with less, providing a clear framework for our continued growth.

Robust financial performance

Financially the Group continues to perform well and thanks to the ongoing success of our land & expand sales strategy, low levels of churn and high recurring revenues, we are in line to achieve both our revenue and EBITDA expectations for the full year.

Overall Group revenue grew 7% in the period to £13.1m (H1 2023: £12.3m). Within this, SaaS revenues grew by 8% to £11.8m (H1 2023: £10.9m), or 13% at constant currency, driving a 7% growth in exit Annual Recurring Revenue (ARR) to £23.7m (September 2022: £22.1m). In constant currency terms exit ARR growth was 15%. Training & Implementation revenues of £1.3m in the period were broadly consistent with the prior year (H1 2023: £1.4m).

The Group delivered significant EBITDA growth in the half of 167% to £0.8m (H1 2023: £0.3m), within the context of less favourable FX movement in the period, underscoring the strength of the Company's performance in the year to date. This has translated into the Group's profit before tax of £0.1m (H1 2023: loss of £0.5m).

Through prudent management of the business, the Group remains well capitalised with cash at bank as at 30 September 2023 of £9.9m (H1 2023: £11.0m), increasing to £12.0m by 31 October. With a solid balance sheet, strong gross margins, high levels of recurring revenues and good cash collection, the Group is in a strong position to continue to grow and invest in its offering in spite of the difficult macroeconomic environment.

Product development and innovation

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

ControlIQ

In the half we successfully introduced our new tiered licensing and pricing model for ControlIQ, introducing a series of offerings to enable customers to select the level of capabilities that suit their needs, moving through the series as their ambitions and requirements increase.

As part of this, we launched ControlIQ Series 3, which has been enhanced with additional AI-based features that enable customers to further improve their performance while removing management effort. The first to launch is *Smart Planning*, which automates forecasting and planning, reducing the effort consumed in the process whilst increasing accuracy. Series 4 will be released in the first half of 2024, which will include additional AI and ML based features, including automatic skills cataloguing, a suite of new senior leader insights and the Company's first GenerativeAI based app; a virtual coach which predicts the interventions required by operations leaders and can prescribe the best action to take.

The upgrades we are making across ControlIQ have been focused on helping our customers make better decisions, faster. The speed of development and launch of these powerful AI features have been made possible by ActiveOps' long heritage in the world of back-office optimisation and the volume of data flowing through its existing platforms, on which to train and test algorithms. Our team was well placed to quickly conduct discovery work around where we could use Generative AI within our product set and further expand our use of AI within the products.

The advanced features within Series 3 are proving a powerful sales tool for both existing and new customers. We are in the process of transitioning our existing customer base onto Series 3, generally at the point of renewal, which thanks to the re-platforming work carried out in previous years is a straightforward process and have been pleased with the progress achieved to date.

WorkiQ

The main focus for WorkiQ in the half has been the work being done ahead of the launch of the Cloud version. By hosting WorkiQ in the Cloud, we will be able to deploy it more rapidly across new customers and get new users within existing customers set up quicker. We are targeting a release for this by the end of FY24.

CaseworkiQ

For CaseworkiQ the team has been focused on bringing it onto the same technical platform as ControlIQ, which is now complete. In the half we successfully moved our flagship CaseworkiQ customer, a leading UK bank, which is also a large ControlIQ customer onto the integrated platform. The integration of the two makes it easier for customers to use both products simultaneously, within one platform, helping to facilitate ease of use across our solutions and further improve the stickiness of our products. The capabilities of the solution have also evolved with the addition of new live status dashboards and case flight-path tracking.

Growth of our customer base: Land & Expand

We estimate our total addressable market being c.£900m per annum, of which £90m relates to the cross and upsell of our solutions to our existing customers. We remain focussed on expanding our footprint in our existing customer base whilst delivering against our customer acquisition strategy, which is tightly focussed on banks, insurers and BPS providers in our target geographies.

Our land & expand strategy, low levels of churn and good recurring revenues continue to support the Group's overall performance. In spite of the widely reported elongation of corporate sales and contracting cycles, the Group secured two new customers in the first half and 11 significant customer expansion deals, across all products and geographies.

Retention rates remain strong across all territories, as the need for service operations to improve performance and enhance both customer and employee experience intensifies as a result of the macro-economic environment and ever increasing expectations of both customers and employees. Managing large, complex service operations requires

thousands of decisions to be made daily by hundreds of managers. Unlike so many operations leaders, our customers have the data and insights at their finger tips to ensure that the right decisions are made and in a timely and efficient manner. The aggregate effect on both the performance of the operation and efficient use of management time is transformational. Our latest predictive and prescriptive capabilities, leveraging AI trained on the 15+ years of data we hold, are offering our existing customers new levels of performance improvement.

The demonstrable results we achieve for our customers are incredibly powerful and support our land & expand strategy. Savings of £7m in 9 months for one customer and an average capacity gain of 20% in the first year for another are only two examples of how our products help, but they are part of a wider group of examples that send a powerful message to potential and existing customers alike.

Our remodelled licencing structure is also anticipated to offer our customers greater flexibility over how they access our latest developments and help drive growth in the future.

Our marketing function has developed significantly since Bhavesh Vaghela's appointment as CMO in the last financial year. The marketing team has been working hard on various projects to raise brand awareness and generate sales leads and we are starting to see the green shoots coming through, as the quality of leads we are generating is far better, helping improve the quality of deals in our pipeline, underpinning our confidence in the Group's outlook.

Our customer conferences this year have been popular, with overall attendance across the three conferences up 40% on the prior year. Here, the Company successfully launched its new positioning, focused on the provision of Decision Intelligence for Service Operations. Decision Intelligence, as defined by IDC, is 'the discipline of using AI and data science to improve business decision making, and it's enabling organisations to cut through this complexity.' This is the very crux of what we do for operations teams. The Group's products are all designed to help customers improve their decision making and do more with what they have. Decision Intelligence is being researched and sponsored by key analyst firms, like Gartner, and this rebrand better positions us in this space and indicates clearly how we help our customers.

Our partnership with Microsoft continues to support our overall performance. The renewal of one of our biggest customers in the half, a UK bank, was the first major transaction via the Microsoft Marketplace, validating the appeal of partnering with Microsoft. This is one of the aspects of the relationship we believe we can leverage to make a real difference in the long term.

The market need for our technology is clear and reflected by our healthy levels of pipeline opportunities, which give us confidence in an acceleration in our ARR growth rate by year end.

Confident Outlook

We are well set for the future and have made a robust start to the second half of the year, with three significant expansions with existing banking customers, closed so far. The breadth and increasing sophistication of our offering, geographic reach, and new pricing tiers, all provide us with confidence in a strong H2 performance and beyond.

The Group remains well capitalised, with low levels of churn and high levels of ARR, providing a strong position to continue measured investment in innovation, to increase the size of our opportunity and attractiveness of our offering to customers.

With growth against all of our key KPIs and a healthy sales pipeline, we remain on track to deliver a full year in line with the Board's Revenue and EBITDA expectations.

Richard Jeffery

Group Chief Executive Officer

Chief Financial Officer's Report

Financial Review

I am pleased to report a strong financial performance by the Group for the first half of the year, with growing ARR and total revenue, delivering a solid adjusted EBITDA profit with a strong cash position for the Group.

Revenue

ARR is a key performance metric for the Group. Included within ARR are software licence fees along with recurring support revenue where a customer has purchased an ongoing care package.

ActiveOps' ARR at 30 September 2023 totalled £23.7m (30 September 22: £22.1m), representing year-on-year growth of 7%, delivered through the expansion of our footprint in existing customer accounts and sales to new customers. Furthermore, ARR growth, measured in constant currency, exceeded 15%.

Total revenue for the Group at £13.1m (H1 FY23: £12.3m) was 8% ahead of the same period last year with recurring software & subscription revenues increasing by 7% to £11.8m (H1 FY23: £10.9m) on a reported basis. Software & subscription revenue, measured on a constant currency basis, showed an increase of 13%.

Training & Implementation revenues at £1.3m (H1 FY23: £1.4m) were slightly behind prior year primarily due to timing of implementations being delayed or extended by customers as well as slow T&I sales in H1 FY24.

Operating Profit and Margins

Gross margins improved to 84% (H1 FY23: 81%). Software & subscription margins increased to 87% (H1 FY23: 84%), as a result of higher revenues and good cost control. T&I margins were strong at 55% (H1 FY23: 59%), T&I revenues and margins vary according to the product mix (between WorkiQ, ControliQ and CaseworkiQ), the location of implementations (with higher cost jurisdictions delivering a higher margin), and the level of support required by ActiveOps coaches on each delivery.

Operating expenses (excluding share-based payments, depreciation and amortisation) increased by 5% to £10.2m (H1 FY23: £9.7m). Furthermore, H1 FY23 operating expenses benefited from a significant foreign exchange gain.

Adjusted EBITDA was a positive £0.8m (H1 FY23: £0.3m), reflecting solid revenue growth and gross margins, along with good cost control in the face of inflationary pressures.

Foreign Exchange

The Group has 62% (H1 FY23: 53%) of revenues invoiced in currencies other than GBP, with the increase in non GBP invoices reflecting a difference in the timing of invoices raised. Exchange rates have been volatile over the period with the pound strengthening in particular against the Australian Dollar, US Dollar and Canadian Dollar.

Product and Technology Expenditure

Total expenditure on product management, research, development and support in the first half increased to £2.7m (H1 FY23: £2.5m) as investment made in FY23 rolled into the current year. Capitalised labour of £0.5m (H1 FY23: £0.3m) related to the development of new product features.

Depreciation & Amortisation

Depreciation & amortisation of £0.5m (H1 FY23: £0.5m) principally comprised intangible amortisation following the acquisition of the OpenConnect entity in 2019 and the Australian entities in 2017.

Taxation

The Group operates a transfer pricing policy to ensure that profits are correctly recorded in each of the jurisdictions in which it operates. ActiveOps has brought forward tax losses in the UK and Irish legal entities.

Statutory Results

The Group reported a profit before tax for the period of £0.1m (H1 FY23: loss of £0.6m).

Earnings per Share

Basic Earnings per Share for continuing operations was a loss of 0.14p (H1 FY23: (0.99p)).

Dividend

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

Cash flow

Cash flow from operations in the first half of the year was an outflow of £4.9m. The negative cashflow position in H1 is attributable to the phasing of renewals over the year, and the timing of invoices raised. A significant level of renewals take place in the second half of the year and the timing of payments of annual in advance bills significantly impacts the cash position at 30 September 2023. The Group received significant cash inflows in October 2023 and had cash of £12.0m at 31 October 2023.

Balance Sheet

The Group has maintained a strong balance sheet position with a cash position of £9.9m (H1 FY23: £11.0m) and net assets at 30 September 2023 of £8.0m, (31 March 2023: £7.9m).

Management Statement

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

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

Unaudited consolidated condensed statement of profit and loss and other comprehensive income for the six months period to September 2023

		Six months ended 30 September 2023 £000 Unaudited	Six months ended 30 September 2022 £000 Unaudited
	Notes		
Revenue	3	13,060	12,291
Cost of sales	4	(2,095)	(2,288)
Gross profit		10,965	10,003
Administrative expense excluding share options charges, depreciation, amortisation and exceptional items		(10,173)	(9,662)
Administrative expense - share option charges only		(175)	(390)
Administrative expense - depreciation and amortisation only		(521)	(523)
Total Administrative expenses		(10,869)	(10,575)
Operating profit / (loss)		96	(572)
Finance income		19	2
Financing costs		(11)	(36)
Profit / (loss) before taxation		104	(606)
Taxation		(201)	(104)
Loss for the period		(97)	(710)
Basic and diluted loss per share	5	(0.14p)	(0.99p)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations		11	120
Total comprehensive loss for the period attributable to the owners of the parent company		(86)	(590)

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Unaudited consolidated condensed statement of financial position

		At 30 September 2023 £000 Unaudited	At 31 March 2023 £000 Audited
	Notes		
Non-current assets			
Intangible assets		5,915	5,735
Property, plant and equipment		140	162
Right-of-use assets		351	419
Deferred tax assets		210	217
Total non-current assets		6,616	6,533
Current assets			
Trade and other receivables	6	4,643	6,373
Corporation tax receivable		16	-
Cash and cash equivalents		9,896	15,377
Total current assets		14,555	21,750
Total assets		21,171	28,283
Equity			
Share capital		71	71
Share premium account		6,444	6,444
Share option reserve		768	593
Foreign exchange reserve		(213)	(224)
Retained earnings		886	983
Total equity		7,956	7,867
Non-Current liabilities			
Lease liabilities		303	364
Provisions		119	102
Deferred tax liabilities		802	889
Total non-current liabilities		1,224	1,355
Current liabilities			
Trade and other payables	7	11,692	18,860
Lease liabilities		68	100
Corporation tax payable		231	101
Total current liabilities		11,991	19,061
Total equity and liabilities		21,171	28,283

ActiveOps plc

Unaudited consolidated condensed statement of cash flows

	Notes	Six months ended 30 September 2023 £000 Unaudited	Six months ended 30 September 2022 £000 Unaudited
Loss after tax		(97)	(710)
Taxation		201	104
Finance income		(19)	(2)
Financing costs		11	36
Operating profit / (loss)		96	(572)
Adjustments for:			
Depreciation property, plant and equipment		59	64
Depreciation right-of-use asset		67	72
Amortisation of intangible assets		395	387
Share option charge		175	390
Change in trade and other receivables	6	1,730	183
Change in trade and other payables and provisions	7	(7,151)	(2,028)
Cash used in operations		(4,629)	(1,504)
Interest paid		(11)	(13)
Taxation paid		(172)	(129)
Net cash used in operating activities		(4,812)	(1,646)
Investing activities			
Purchase of property, plant and equipment		(39)	(40)
Purchase of software		(542)	(316)
Interest received		19	2
Net cash used in investing activities		(562)	(354)
Financing activities			
Repayment of lease liabilities		(91)	(111)
Net cash used in financing activities		(91)	(111)
Net change in cash and cash equivalents		(5,465)	(2,111)
Cash and cash equivalents at beginning of the period		15,377	13,753
Effect of foreign exchange on cash and cash equivalents		(16)	(666)
Cash and cash equivalents at end of the period		9,896	10,976

ActiveOps plc

Unaudited consolidated condensed statement of changes in equity

	Share capital £000	Share premium £000	Share option reserve £000	Foreign exchange reserve	Retained earnings	Total £000
At 31 March 2022 (audited)	71	6,444	566	(43)	1,480	8,518
Loss for the period	-	-	-	-	(710)	(710)
Exchange differences on translating foreign operations	-	-	-	120	-	120
Total comprehensive loss for the period	-	-	-	120	(710)	(590)
Transactions with owners, recorded directly in equity						
Share based payment charge	-	-	390	-	-	390
Total transactions with owners	-	-	390	-	-	390
At 30 September 2022 (unaudited)	71	6,444	956	77	770	8,318
At 31 March 2023 (audited)	71	6,444	593	(224)	983	7,867
Loss for the period	-	-	-	-	(97)	(97)
Exchange differences on translating foreign operations	-	-	-	11	-	11
Total comprehensive loss for the period	-	-	-	11	(97)	(86)
Transactions with owners, recorded directly in equity						
Share based payment charge	-	-	175	-	-	175
Total transactions with owners	-	-	175	-	-	175
At 30 September 2023 (unaudited)	71	6,444	768	(213)	886	7,956

ActiveOps plc**Notes forming part of the interim condensed unaudited financial statements for the period six months ended 30 September 2023****1. General information**

ActiveOps plc ('the Company') is a public company limited by shares, incorporated, domiciled and registered in England and Wales. The registered office and principal place of business is One Valpy, 20 Valpy Street, Reading, Berkshire, RG1 1AR.

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

2. Accounting policies**a. Basis of preparation**

The condensed consolidated unaudited interim financial statements ("interim financial statements") for the period 1 April 2023 to 30 September 2023 are unaudited. The group has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing the interim financial information. The condensed consolidated interim financial statements incorporate unaudited comparative figures for the interim period from 1 April 2022 to 30 September 2022 and the audited financial year ended 31 March 2023.

The Interim financial statements for the six months ended 30 September 2023 have been prepared on the basis of the accounting policies expected to be adopted for the year ended 31 March 2024. These are in accordance with the accounting policies as set out in the Group's last annual consolidated financial statements for the year ended 31 March 2023.

The Interim financial statements have been prepared under the historical cost convention and on a going concern basis and in accordance with the presentation, recognition and measurement criteria of UK-adopted International Accounting Standards.

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

b. Going Concern

The Directors believe that there are no material uncertainties that cast significant doubt about the Group's ability to continue in operation and meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date of approval of the interim financial statements. During the period, the Group has retained a significant cash balance. This ensures that the business remains financially robust, with strong prospects for the future.

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

3. Revenue

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

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

	SaaS £000	T&I £000	Total £000
Six months ended 30 September 2023			
EMEIA	6,456	814	7,270
North America	2,863	275	3,138
Australia	2,402	250	2,652
	11,721	1,339	13,060

	SaaS £000	T&I £000	Total £000
Six months ended 30 September 2022			
EMEIA	5,470	984	6,454
North America	3,013	21	3,034
Australia	2,455	348	2,803
	10,938	1,353	12,291

4. Segmental analysis

The Group has two reporting segments, being SaaS and T&I. The Group focuses its internal management reporting predominantly on revenue and cost of sales. Total assets and liabilities are not provided to the Chief Operating Decision-Maker (CODM) in the Group's internal management reporting by segment and therefore a split has not been presented below. Information about geographical revenue by segment is disclosed in note 3.

	SaaS £000	T&I £000	Total £000
Six months ended 30 September 2023			
Revenue	11,721	1,339	13,060
Cost of sales	(1,486)	(609)	(2,095)
	10,235	730	10,965

	SaaS £000	T&I £000	Total £000
Six months ended 30 September 2022			
Revenue	10,938	1,353	12,291
Cost of sales	(1,732)	(556)	(2,288)
	9,206	797	10,003

5. Earnings per share

	Six months ended 30 September 2023	Six months ended 30 September 2022
	Unaudited	Unaudited
Loss on continuing activities (£000)	(97)	(710)
Weighted average number of shares in issue in the period	71,364,180	71,364,180
Basic and diluted loss per share	(0.14p)	(0.99p)

6. Trade and other receivables

	At 30 September 2023 £000 Unaudited	At 31 March 2023 £000 Audited
Trade receivables	3,206	5,507
Prepayments and accrued income	1,003	675
Other receivables	434	191
	4,643	6,373

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

	At 30 September 2023 £000 Unaudited	At 31 March 2023 £000 Audited
Trade receivables from contracts with customers	3,262	5,563
Less loss allowance	(56)	(56)
	3,206	5,507

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.

7. Trade and other payables

	At 30 September 2023 £000 Unaudited	At 31 March 2023 £000 Audited
Trade payables	1	167
Other taxation and social security	156	1,360
Other payables	6	5
Accruals and deferred income	11,529	17,328
	11,692	18,860

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.

8. Events after the reporting date

There have been no events that have occurred since the period end which require disclosure.