

3 July 2024

**ActiveOps plc**  
("ActiveOps", the "Company" or the "Group")

**Results for the year ended 31 March 2024**  
***Double digit ARR growth and sustainable profit before tax provide strong basis for expansion***

ActiveOps plc (AIM: AOM), a leading provider of Decision Intelligence software for service operations, is pleased to announce its audited results for the year ended 31 March 2024.

**Financial Highlights:**

Year ended 31 March	2024	2023	Change
Annual recurring revenue "ARR" <sup>1</sup>	£25.1m	£22.6m	+11%
Revenue	£26.8m	£25.5m	+5%
Software & Subscription revenue	£23.8m	£22.1m	+8%
Training & implementation "T&I" revenue	£3.0m	£3.4m	-12%
Gross margin	84%	82%	+2ppt
Adjusted EBITDA <sup>3</sup>	£2.4m	£0.7m	+243%
Profit/(loss) before tax	£1.0m	£(0.2)m	-
Earnings/(loss) per share on continuing operations	1.18p	(0.70)p	-
Net cash and cash investments <sup>5</sup>	£17.6m	£15.4m	+14%

- ARR growth of 11% (14% constant currency) against prior year
- Total Revenue growth of 5% (9% constant currency), delivering total revenue of £26.8m, driven primarily by increased recurring SaaS revenues
- Gross profit margins increased to 84%, (2023: 82%) supported by a heavier SaaS to T&I revenue mix
- Strong increase in adjusted EBITDA<sup>3</sup> to £2.4m (2023: £0.7m), including an increase in capitalised development spend as the Group continues to focus on the development of advanced AI-based product features and prudent cost management
- Healthy operating cash conversion<sup>4</sup> of 175% (2023: 486%) arising from annual-in-advance billing
- Sustainable profit before tax of £1.0m (2023: loss of £0.2m)
- Balance sheet remains strong with £17.6m cash and cash investments<sup>5</sup> (2023: £15.4m) and remains debt free

**Operational Highlights**

- Strong expansion across existing customers resulting in Net Revenue Retention<sup>2</sup> (NRR) of 107%, (110% on a constant currency basis (2023: 110%))
- 82% of customers increased or maintained ARR, including 27% who increased ARR by 20% or more
- Three new customers secured, each with significant expansion potential
- The upsell of Series 3 for ControlIQ continues to go well
- Momentum in CaseWorkiQ continues to build, with total CaseWorkiQ ARR growth of 95%
- Three significant ControlIQ enterprise contracts secured following thorough and competitive RFP processes, as each enterprise saw the benefits of the proven enterprise-scale capabilities of ControlIQ and an ability to deliver material cost savings with rapid ROI
- Expansion of the Senior Leadership Team has brought additional, valuable experience and will provide increased focus on the execution of ActiveOps' growth strategy

**Outlook**

- Trading in the first few months of FY25 has been in line with the Board's expectations, driven by customer expansions and the addition of a new customer with significant expansion potential
- Exciting product roadmap, including release in FY25 of ControlIQ Series 4, incorporating further AI and Machine Learning features
- Results of the prior period investment in product development and marketing give the Board confidence to make disciplined and focused investment in the global sales operation in the coming year to look to accelerate organic growth rate

**ActiveOps CEO, Richard Jeffery commented:** *“As we look back on FY24, and consider the way ahead, we do so with an increased sense of confidence. The investments into our product and marketing capabilities are delivering demonstrable returns, particularly in terms of strong expansion with existing customers and high retention rates. The ability of our products to blend AI and human intelligence with information drawn from other applications to deliver powerful insights is resonating more than ever. The strength of our balance sheet and growth in profitability means we are now well placed to invest into our global sales operation to replicate our success on a wider basis, aiming to drive further growth across all our key markets.”*

#### **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.
5. Cash and cash equivalents plus cash investments on the Balance Sheet at the period end.

#### **For more information, please contact:**

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#### **About ActiveOps**

ActiveOps is Software as a Service business, dedicated to helping organisations create MORE value from their service operations. ActiveOps' Decision Intelligence software solutions are specifically designed to support leaders with the vast number of decisions they make daily in the name of running their operations. Our customers make better decisions and consume less time and effort making them. The outcomes are significantly improved turnaround times and double-digit improvements in productivity with backlogs of work materially reduced. Customers also leverage the capacity created to invest in transformation and development, as well as to reduce levels of new recruitment.

The Company's AI-powered SaaS solutions are underpinned by 15+ years of operational data and its AOM methodology which is proven to drive cross department decision-making.

The Company has over 180 employees, serving a global customer base of enterprise customers from offices in the UK, Ireland, USA, Canada, 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.

# Chair's Statement

## Introduction

FY24 was another year of achievement for ActiveOps, as the Company successfully navigated an ongoing challenging market backdrop, while taking significant strides forward in terms of our offering, marketing capabilities and profitability.

A core driver of our success is the strength and breadth of the ActiveOps team, across our client facing, technical and support teams. This is supported by the robust culture that has been built by the senior leaders within the Group and stems from Richard's vision for the Company as a whole.

With a growing team and a dynamic and market leading product set, we are confident that we have a strong foundation on which to capitalise on the considerable opportunity ahead.

## Financial Performance

We have delivered another year of profitable growth. I am particularly pleased with the double-digit growth in SaaS revenue and ARR, 11% and 14% on a constant currency basis respectively, demonstrating the underlying growth of the business. The market backdrop for our Training and Implementation (T&I) services continued to be challenging, with T&I revenues decreasing in the year, somewhat tempering our overall growth rate.

The Group's focus on measured investment means adjusted EBITDA, profit before tax and cash all show healthy progression on the prior year.

Importantly, our considerable step forward in profitability and continued strong cash generation provides the Group with increasing flexibility with regards to its investment decisions, and as a Board we believe now is the right time to accelerate investment into our sales engine, aiming to drive an acceleration in our organic growth rate.

## Overview of the year

The year has seen a particular focus on delivering value to existing clients through the account teams, and our success in this is evidenced by the maintenance of our strong revenue retention at 110% on a constant currency basis.

The investments we have made in our product set continue to bear fruit, and our internal execution capabilities have been evident this year in terms of the terrific work in assisting clients to adopt ControlIQ Series 3. This is the latest iteration of our core product, giving clients access to outstanding new features further bolstering their return on investment, as well as allowing us to streamline our cost base. Growth in our other new product CaseWorkiQ continues, with customers praising its functionality in non-structured environments.

Our expansion with existing customers has been exceptional, however we feel that there is room for improvement in terms of the pace of new customer acquisition. While there has been a general extension of sales cycles in the enterprise software environment, we had also identified in the prior year that our marketing could be improved. In order to address this, our marketing team has worked hard to refocus the messaging around our products under the banner of Decision Intelligence for service operations. This has led to a better understanding of our space in the market and has been very well-received by our customers.

During the year the board conducted its annual review of strategy . It was very pleasing that the conclusion is to continue on the current path, and to accelerate as more profitability enables additional investment particularly in go-to-market resources.

As part of this, we have made good progress in establishing a leadership team, ready for the next phase of expansion. Just before the end of the financial year, we were delighted to announce the appointment of three senior hires who bring invaluable experience and skills within their target markets to further bolster our ability to grow and service the global demand we are seeing for our solutions.

## **Diversity and ESG**

The Board has worked diligently this year to ensure our high standards are maintained and practiced in line with the sound governance structures we have in place.

We continue to adopt a formal approach to managing and adopting our ESG agenda, aligning our activities with the GRI framework and appropriately selected standards from environmental, social, and economic and governance. Over the last year, we've included an emphasis on training and education across the firm, to ensure our teams are well equipped in their roles and given the chance to grow with the business.

In 2024 we have reviewed and refined our environmental policy and added ESG requirements to our management approach. We continue to assess our sustainability practices and for 2025 we intend to be defining targets in this area.

It was a busy year for the nominations committee, and we were extremely pleased to welcome Emma Salthouse as CFO, following the departures of Paddy Deller, the long-term CFO and Ken Smith, who replaced him on an interim basis. Emma has many prior years of experience with ActiveOps and is making a notable difference to the running of the department. Our thanks go to Ken for his fine contribution in helping bridge the gap until Emma could take post.

I would like to acknowledge the excellent work done by Mike McLaren in his leadership of the audit committee over the past year, and particularly his work to change our audit supplier to MHA. I have been very pleased with the way they have engaged to drive a robust and constructive initial audit process. My thanks to Hilary Wright who has provided great value conducting an independent culture inspection, her guidance to the ESG teams and her work leading the Remuneration Committee.

As you will be aware, after 10 years on the Board I have chosen not to stand for re-election at the next AGM. I wish to thank my fellow Non-Executive Directors – past and present – who I have worked with throughout my tenure. A special thanks goes to Rebecca Hughes for her tireless work as Company Secretary and General Counsel. During this time, we have progressed through many major events and expanded globally. A particular high point was the success of the IPO. I am incredibly proud of the way ActiveOps has settled into the listed environment and continues to deliver for its shareholders.

Finally, I would like to take this opportunity to thank all our shareholders, past and present, who have entrusted us to deliver returns on their investment and continue to be supporters of the Group and what we are working to achieve. I am excited to see what the future brings for this business that is primed for further growth.

## **Looking Ahead**

The Group's outlook remains strong and the opportunity for growth is large. North America represents a fantastic opportunity for us, we had some especially good wins in Canada this year, and I believe with additional focus in the coming period it can start to yield considerable improvement in terms of contribution to the overall growth of the business.

Our APAC and South Africa regions are showing great promise and Europe remains a well-proven market. The continued expansion of our footprint within our existing client estates demonstrates the strength of the regional teams and quality of our product set.

With our cutting-edge AI powered new features and excellent technical delivery, we are poised to be increasingly successful. As the clarity of our Decision Intelligence message informs the broader marketplace of our capabilities and world class track record, we are experiencing more understanding and insight from our prospects in the early stages of the sales process.

ActiveOps has a proven area of expertise, and there is plenty of scope to expand into new markets and verticals. We have shown this with the continued success of our land and expand strategy. Customers who test our products become advocates and we can then rapidly install across the estate to bring transformational value. This is a key reason for the Group's ongoing success and will underpin its progress moving forward.

**Sean Finnan**

Non-Executive Chair

## CEO Statement

As we look back on FY24, and consider the way ahead, we do so with an increased sense of confidence. The investments into our product and marketing capabilities are delivering demonstrable returns, particularly in terms of strong expansion with existing customers and high retention rates. The strength of our balance sheet and growth in profitability means we are now well placed to invest into our management structure and sales teams to replicate that success on a wider basis, aiming to attract new customers and drive further growth across all our key markets.

We describe our product proposition under the banner 'Decision Intelligence for service operations', focusing on clearly demonstrating that AI and Machine Learning (ML) technologies are an integral part of our product set, and AI and ML technologies give our customers the power to make the right decisions, faster, enabling them to reduce costs, improve employee wellbeing, release capacity and become more agile and resilient. All of these are strategic imperatives at the board tables of our target audience – raising awareness and interest in our capabilities, and deal velocity as opportunities develop.

We are excited by the fantastic response to both this new messaging and our enhanced product capabilities from our customer base and wider market, as evidenced by the uptake of ControlIQ Series 3 and the interest in the forthcoming release of Series 4.

Of note this year, and in what we see as a clear reflection of our position in the market, was the winning of three ControlIQ enterprise contracts, following competitive RfP processes. ControlIQ was chosen thanks to its proven enterprise scale capabilities, the ease and speed of integration and implementation, rapid ROI, our wider product set and product roadmap.

We have made solid progress in expanding our footprint across our target markets. Canada and South Africa have both seen significant increases in ARR in the year; 29% and 68% respectively under constant currency. We look forward to building on this momentum following the recent hires we have made across our senior leadership team, with the appointment of a Group MD, APAC Regional MD and Regional Chair, South Africa. These hires bring a vast wealth of experience and skills to help us build on what we have already achieved across our key geographies since IPO.

I am confident we are entering a new phase of growth, underpinned by an increased investment in FY25 in our sales teams, globally. We have created a market leading product set and have a clear-cut position in the market, on which we are excited to capitalise.

### Continued Financial Progress

The business continues to benefit from the strength of our SaaS business model, with the value we provide our customers evident in the strength of our metrics. The business delivered another year of double digit ARR growth, increasing 11% (14% at constant currency) to £25.1m (2023: £22.6m), providing us with good revenue visibility for the year ahead. Across our extensive customer base, 60% of customers increased their use of our software in the year, either expanding to new teams and divisions, or adding new products, resulting in Net Revenue Retention (NRR) on a constant currency remaining high at 110% (2023: 110%) with customer logo churn decreasing to 2.7% (2023: 5.2%).

Total revenue increased 5% (9% constant currency) to £26.8m, driven primarily by growth in our SaaS revenues. Gross profit margins increased to 84% (2023: 82%) and we have seen an increase in adjusted EBITDA to £2.4m (2023: £0.7m) which includes an increase in the amount of capitalised development due to our investments in new AI-based product features. We benefit from inherent operational leverage in the business, due to the scalable nature of our SaaS based offerings, resulting in the business generating a sustainable profit before tax of £1.0m (2023: loss before tax of £0.2m). Operating cash conversion remains strong, at 175% of EBITDA (2023: 486%) and as a result we closed the year with £17.6m of cash and cash investments (2023: £15.4m) and no debt.

### A market that's increasingly aware of the problems we solve

Meeting stakeholder expectations for large, international service operations teams isn't getting any easier. In fact, it is getting materially more complicated, with leaders needing to manage new complexities such as remote working, increasing regulation of operational risk coupled with the emergence of AI in the workplace changing

processes and their competitive landscape. Manual reporting remains prevalent, and every new system generates yet more siloed data, flooding operations leaders with inactionable information. And yet the effective delivery of service operations work requires instant response, total transparency and zero contingency.

Operations leaders are realising that in order to make the most of the data being generated across their teams, they need access to this data to be smart, accurate and highly predictive.

This is where our products and Decision Intelligence come in. We take data from existing applications and create insight relevant to the task of managing operations. This produces consistent metrics up and down an organisation giving operations leaders the precise and timely information they need. Applying AI to this unique dataset allows us to provide apps which automate decisions where appropriate or augment leader's decisions by providing prescriptive insights. These capabilities release the capacity of people, increase their productivity and create the agility which ensures customer outcomes are consistently delivered.

The ability of our products to blend AI and human intelligence with information drawn from other applications to deliver powerful actionable insights is resonating more than ever. For example, determining staff skills from their operational performance avoids the effort and inaccuracy of manual assessment. Using this insight and applying AI to our enterprise-wide datasets allows us to track and alert leaders to opportunities for improvement, job enrichment and likely aptitude in other processes. These capabilities mean less management effort is needed and lead to materially better outcomes.

With tighter regulation and more demanding clients requiring the best standards of service, all within the context of tighter budgets, the demand for automation and Decision Intelligence has never been stronger in the world of operations; a demand we have clearly demonstrated our ability to service.

### **Software development and innovation to meet the needs of our customers**

We are focused on developing and delivering the products our customers need most and giving them the tools to exploit the data they already have, to help them make business critical decisions quickly and correctly. The result for them is huge, with customers seeing an average capacity gain across their service operations teams of around 20% in the first year. It is this discipline and focus across our development and innovation teams that underpins our market leading offering.

We have continued to deliver against our clearly stated product roadmap. Through the data we have collected over the last 15 years we have built a foundation that has allowed for the roll out of AI and ML capabilities within our products and this year we have delivered a major step change in the ActiveOps software capability.

#### *ControliQ*

In the first half of the year, we successfully introduced our new tiered licensing and pricing model for ControliQ, including 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.

The first to become available is ControliQ Series 3, the most advanced iteration of the ControliQ platform to date. ControliQ Series 3 is enhanced with additional AI-based features, including Smart Planning which provides AI driven forecasting, planning and service level management. We are making good progress in 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.

Series 4 will be released in the second 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 app making use of Generative AI; a virtual coach which predicts the interventions required by operations leaders and can prescribe the best action to take.

#### *CaseWorkiQ*

The uptake of CaseWorkiQ continues to go to plan following its release last financial year, with momentum continuing to build and we are pleased with its early contribution to the Group. We have continued to look for ways to improve and add to its capabilities while working closely and collaboratively with clients, with the

addition in the year of live status dashboards, case flight-path tracking and anomaly detection. These capabilities are now integrated with ControlIQ, reducing barriers to cross sell into existing customers.

We are delighted that 8 of our top 10 customers are now using the product with a total of 13 customers using or trialling the solution. CaseWorkiQ ARR grew by 95% this year and as at 31 March 2024, it contributed 7% to Group ARR, with a healthy pipeline of future opportunities.

#### *WorkiQ*

This year saw the completion of the Cloud delivered version of WorkiQ, making rollout faster across new customers, decreasing cost of ownership and making the platform more conducive for integration with our other products. All these factors combine to improve customer experience and drive usage across the product set.

### **Training and Implementation**

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. T&I services are client-lead and are designed around the client's objectives and challenges. In FY24, T&I revenues have been impacted due to customer expansions involving a higher proportion of customers with in-house centre of excellences, and a cyclical timing of customer refresh requirements.

### **Growth of our customer base: land & expand**

We estimate our total addressable market within our target sectors and geographies being c.£900m per annum, of which £90m relates to the cross and upsell of our solutions to our existing customers. With an exit ARR of £25.1m at year end, we have a sizeable runway for growth ahead of us.

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 BPO providers in our target geographies.

Despite the widely reported elongation of corporate sales and contracting cycles, the Group continued to win new customers in the year and secured significant customer expansion deals, across all products and geographies. NRR of 107% and record low levels of licence churn reflect the quality of our products and the rapid ROI our clients see.

Internationally we have made significant progress this year, with exciting growth in both Canada and South Africa in particular. Having seen growing demand for our solutions in Canada, this year we opened a Toronto office in, launched a French-Canadian version of our core offering and were delighted to secure ControlIQ wins with two major Canadian banking organisations. We now count four of the six major Canadian banks as customers, each with considerable expansion potential. In South Africa ARR increased by 68% in constant currency during the year, fuelled by successful expansion of existing customer relationships, whilst the pipeline for the coming year was also significantly strengthened. Whilst growth in EMEA was steady, the rate of growth was impacted with a challenging backdrop of T&I revenue. Australia was impacted by a slow conversion of sales pipeline and currency impacts.

We saw the first significant Microsoft Azure Marketplace transaction this year, validating this as an exciting new sales channel for the Group. We're excited to see an increase in interest in transacting via the Azure marketplace in the pipeline in addition to an increase in joint marketing with Microsoft. The relationship has also accelerated a number of our deals this year through access to customer stakeholders and overcoming technical hurdles.

### **Increased investment Marketing delivering returns**

Following the investment in our product development teams, a key initial phase in our next stage of growth post IPO, and acknowledging that our marketing approach could be improved, we invested in our marketing team, led by Bhavesh Vaghela who drove our effort to relaunch our proposition under Decision Intelligence. The result of this investment is now being seen in a significant increase in the quality of sales leads within our pipeline. This includes inbound and outbound sales leads as awareness around our products and the benefits they bring becomes clearer.



We have also introduced our OpsTracker market report, Ops Game-Changers podcast series and launched a joint AI research project with Henley Business School, to increase our authority of voice in the space. We also expanded our conference and awards programme to cover all our key territories.

Post year end we were delighted to announce our strategic and global partnership with Great Britain's men's and women's Rugby Sevens, as their Official Analytics partner. This is an exciting step for the Group and will increase brand awareness across a large audience, many of whom will work in the organisations we work with.

### **Increasing investment in Sales in FY25**

Following delivery of the first two phases of our growth strategy, Product and Marketing investment, we now turn to the third; investment in our sales team to harness the opportunity that has been created by the success of the first two phases of investment in the form of a healthy sales pipeline.

We are confident that our products and their position in the market have never been clearer, and we have a real opportunity to exploit this. In line with our strategy to date and commitment to maintaining the recently achieved profitability, we will be disciplined and focused in our approach to investment in the sales team, adding capacity where we see the clearest opportunities. In line with usual training timelines, we would expect this investment to start materially impacting the growth of the business in FY26.

### **Focus for the year ahead**

Looking to the year ahead, the business has a well-defined and resourced set of priorities to maintain the excellent progress of last year.

We will continue to use our Decision Intelligence positioning to create pull from tech and analytics people as well as operations teams, while continuing to invest in initiatives which grow brand recognition and demonstrate ActiveOps authority in the space.

We have an exciting pipeline of new AI enhanced features set to be released in the new financial year, each of which will significantly enhance our customers' capabilities and experience within the platform.

In line with our commitment to continually delivering more for our customers we will be offering customers a range of implementation journeys and approaches to allow them to scale at the pace they desire.

Finally, and most importantly, while maintaining our track record of expansion across our existing base, we are focused on accelerating the acquisition of key new logos and growth in both the APAC and North America regions, where we are seeing large opportunities to expand.

### **Confident Outlook**

Trading in the first few months of FY25 has been in line with Board expectations, driven by continued expansion within our existing customers and the addition of a new North American insurance customer with significant expansion potential. Our high levels of ARR, and growing number of well qualified sales leads gives the Board confidence to make disciplined and focused investment in the global sales operation in the coming year to provide us with the capacity to drive our organic growth rate. We are confident our exciting product roadmap, including further AI and ML features, will continue to drive increased interest from across our customer base and prospects and look forward to updating investors on further progress in the year ahead.

### **Richard Jeffery**

Group Chief Executive Officer

# Group Financial Performance and Chief Financial Officer's Report

	Year ended 31 March 2024			Year ended 31 March 2023		
	SaaS £000	T&I £000	Total £000	SaaS £000	T&I £000	Total £000
Revenue	23,785	2,989	26,774	22,058	3,401	25,459
Cost of Sales	(3,084)	(1,219)	(4,303)	(3,411)	(1,268)	(4,679)
Gross Margin	20,701	1,770	22,471	18,647	2,133	20,780

I am pleased to report on a strong year for the Group with revenue growth of 9% on a constant currency basis, delivering total revenue of £26.8m (2023: £25.5m). The Group achieved an exciting milestone during year, by delivering a sustainable Profit before Tax. This is expected to continue as the Group begins to benefit from the operational leverage in the business model.

## Revenue

Total revenue of £26.8m (2023: £25.5m) was 5% ahead of prior year (9% ahead on constant currency), with software and subscription revenues increasing 8% to £23.8m (2023: £22.1) arising from both new and existing customers. Revenue growth was strong with EMEA growing total revenues by 9% to £15.2m (2023: £13.9m) and North America by 6% to £6.4m (2023: £6.0m).

Training and Implementation (T&I) revenues have marginally reduced to £3.0m (2023: £3.4m) alongside a challenging backdrop for T&I. T&I revenues continue to vary by product and region depending on the mix of customer implementation requirements as well as the timing of implementations dictated by customer plans. T&I revenues in the second half of the year performed stronger following a slow start to the year.

## Annual Recurring Revenue

Annual Recurring Revenue of £25.1m (2023: £22.6m) was 11% higher (14% on constant currency) than the prior year as a result of sales to existing customers, and the addition of 3 new customers generating ARR of £0.8m at the year end, with the opportunity to contribute further in FY25. Net Revenue Retention (NRR) of existing customers on a constant currency was 110% (2023: 110%) with customer logo churn decreasing to 2.7% (2023: 5.2%).

## Margins and Operating Profit

Gross profit margins of 84% (2023: 82%) have improved primarily due to a higher proportion of SaaS revenues versus the prior year. SaaS gross profit margins have increased to 87% (2023: 85%) due to prudent cost management. T&I gross profit margins have reduced to 59% (2023: 63%), with the prior year benefiting from a significant high margin refresh programme for a major customer.

Operating expenses (excluding share-based payments, depreciation and amortisation) remained flat at £19.9m (2023: £19.9m). Whilst investment will continue to support growth, the rate of required investment has slowed versus prior years and the business has started to see the benefits of the operational leverage inherent in the business model.

Following the expansion of the Group's R&D capabilities in prior years, the Group continues to focus on the development of advanced AI-based product features within ControlIQ and CaseWorkIQ. The Group capitalised internal labour of £1.3m (2023: £0.9m).

Supported by the continued investment in Marketing, the Group launched its value-based customer proposition, Decision Intelligence, during the year. Decision Intelligence solutions capture and enrich your operations data to power AI apps which enable leaders to make better decisions, and to do so faster, which is delivering an increase in high-quality leads. This, coupled with a focused project to revise the tiering of current and future features within the licensing structure, is expected to deliver increased ARR in the current financial year and beyond.

Adjusted EBITDA increased to £2.4m (2023: £0.7m) excluding the costs associated with share-based payments at £0.2m (2023: £0.03m) and translation reserve loss of £0.1m (2023: loss £0.2m).

### **Product and Technology Expenditure**

Total expenditure on product management, research, development and support in the year marginally increased to £5.5m (2023: £5.4m) excluding capitalisation of labour. This investment has enabled the group to deliver several new features to the product set to provide additional benefit to customers. Development costs of £1.3m (2023: £0.9m) were capitalised during the year relating to new features incorporated into ControlIQ and CaseWorkIQ.

### **Long-Term Incentive Plan (LTIP) charges**

During the year the income statement charge for the LTIP schemes was £0.2m (2023: £0.03m). This includes the costs for the 2022 and 2023 scheme, which was offset by a reversal of £0.3m relating to the reassessment of the non-market conditions.

There was a reversal of £0.4m in relation to market conditions not being met relating to the 2021 scheme which has been adjusted through retained earnings and is not included in the LTIP charge.

### **Foreign Exchange**

The Group has 50% (2023: 48%) of revenues invoiced in currencies other than GBP, with the Group's cost base predominantly located in the same base jurisdictions as revenues, providing a natural hedge to currency exchange risk. Movements on exchange rates throughout the year represent a negative movement of £0.9m relating to revenue a positive impact of £0.9m relating to costs and a negative impact of £0.2m relating to the translation of foreign currencies held in bank accounts.

### **Depreciation and Amortisation**

Depreciation and amortisation of £1.3m (2023: £1.0m) principally comprised intangible amortisation following the acquisition of the OpenConnect entity in 2019 and the assets retained from the subsequent sale in 2020, and acquisition of the Australian entities in 2017.

### **Taxation**

The Group had a tax charge in the year of £0.1m (2023: £0.3m). The Group operates a transfer pricing policy to ensure that profits are correctly recorded in each of the jurisdictions in which it operates. ActiveOps has brought forward tax losses in the UK and Irish legal entities that currently reduce the overall tax rate of the business.

### **Statutory Results**

The Group reported total comprehensive income of £0.7m (2023 loss £0.7m) for the year.

### **Earnings per Share**

Following the Group's move to making a profit before tax, the profit attributable to equity shareholders basic earnings per share for continuing operations was a profit of 1.18p (2023: loss 0.70p). The diluted earnings per share for the year was a profit of 1.12p (2023: loss 0.67p).

### **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 at this time. 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 a strong balance sheet position with no debt and net assets of £8.8m (2023: £7.9m) including cash and cash equivalents of £11.4m at the end of the year (2023: £12.3m) and cash investments of £6.3m (2023: £3.0m).

### **Goodwill and intangible assets**

The carrying value of the Group's goodwill of £1.2m (2023: £1.2m) was reviewed for impairment with no indications of impairment. The intangible assets at £4.6m (2023: £4.5m) arising from business combinations for

customer relationships, purchased software and capitalised development costs are amortised over an appropriate period.

#### **Cash flow**

The Group continues to generate positive working capital with the ratio of operating cashflow to EBITDA at 175% for the year (2023: 486%).

The Group continued to bill most customers annually in advance for software revenues with deferred income increasing to £14.4m (2023: £13.5m). The seasonality of existing contract customer renewals in the second half of the year delivered a strong increase in cash over the period.

**Emma Salthouse**

Chief Financial Officer

# Consolidated statement of profit and loss and other comprehensive income

## FOR THE YEAR ENDED 31 MARCH 2024

Year ended 31 March	Notes	2024 £000	2023 £000
<b>Revenue</b>	4	<b>26,774</b>	25,459
Cost of sales	5	<b>(4,303)</b>	(4,679)
<b>Gross profit</b>		<b>22,471</b>	20,780
Administrative expense excluding share option charges, depreciation and amortisation		<b>(19,939)</b>	(19,935)
Administrative expenses – share option charges only		<b>(227)</b>	(27)
Administrative expenses – depreciation and amortisation only	7, 8	<b>(1,267)</b>	(1,035)
<b>Total administrative expenses</b>		<b>(21,433)</b>	(20,997)
Impairment losses on financial assets and contract assets	7, 10	<b>(183)</b>	–
<b>Operating profit/(loss)</b>		<b>855</b>	(217)
Finance income		<b>166</b>	49
Financing cost		<b>(34)</b>	(62)
<b>Profit/(loss) before taxation</b>		<b>987</b>	(230)
Taxation	6	<b>(142)</b>	(267)
<b>Profit/(loss) for the year</b>		<b>845</b>	(497)

### Other comprehensive income

Items that may be subsequently reclassified to profit or loss:

Exchange differences on translating foreign operations	<b>(136)</b>	(181)
<b>Total comprehensive profit/(loss) for the year attributable to the owners of the parent company</b>	<b>709</b>	(678)

### Basic and diluted earnings/(loss) per share

<b>Basic earnings per share</b>	<b>1.18p</b>	(0.70p)
<b>Diluted earnings per share</b>	<b>1.13p</b>	(0.67p)

# Consolidated statement of financial position

## AS AT 31 MARCH 2024

At 31 March	Notes	2024 £000	2023 Restated £000
<b>Non-current assets</b>			
Intangible assets	7	5,794	5,735
Property, plant and equipment	8	221	162
Right of use assets	9	301	419
Deferred tax assets	6	174	217
<b>Total non-current assets</b>		<b>6,490</b>	<b>6,533</b>
<b>Current assets</b>			
Trade and other receivables	10	5,939	6,373
Cash investments	11	6,253	3,037
Cash and cash equivalents		11,353	12,340
<b>Total current assets</b>		<b>23,545</b>	<b>21,750</b>
<b>Total assets</b>		<b>30,035</b>	<b>28,283</b>
<b>Equity</b>			
Share capital		71	71
Share premium account		6,048	6,048
Merger relief reserve		396	396
Share option reserve		384	593
Foreign exchange reserve		(360)	(224)
Retained earnings		2,264	983
<b>Total equity</b>		<b>8,803</b>	<b>7,867</b>
<b>Non-Current liabilities</b>			

Lease liabilities	9	239	364
Provisions		201	102
Deferred tax liabilities		691	889
<b>Total non-current liabilities</b>		<b>1,131</b>	<b>1,355</b>

#### Current liabilities

Trade and other payables		19,963	18,860
Lease liabilities	9	69	100
Corporation tax payable		69	101
<b>Total current liabilities</b>		<b>20,101</b>	<b>19,061</b>

<b>Total equity and liabilities</b>		<b>30,035</b>	<b>28,283</b>
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# Consolidated statement of cash flows

## FOR THE YEAR ENDED 31 MARCH 2024

Year ended 31 March	Notes	2023	
		2024 £000	Restated £000
<b>Profit/(loss) after tax</b>		<b>845</b>	<b>(497)</b>
Taxation		142	267
Finance income		(166)	(49)
Finance expense		34	62
<b>Operating profit/(loss)</b>		<b>855</b>	<b>(217)</b>
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment	8	117	127
Depreciation of right of use asset	9	137	142
Amortisation of intangible assets	7	1,013	766
Impairment of intangible asset	7	218	-
Share option charge		227	27
Change in trade and other receivables	10	434	(2,619)
Change in trade and other payables and provisions		1,202	5,168
<b>Cash from operations</b>		<b>4,203</b>	<b>3,394</b>
Interest paid		(20)	(25)
Taxation paid		(335)	(284)
<b>Net cash generated from operating activities</b>		<b>3,848</b>	<b>3,085</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment	8	(179)	(90)
Purchase of software		(9)	(40)
Capitalisation of development costs		(1,347)	(851)
Interest received		166	49
<b>Net cash investments</b>		<b>(3,216)</b>	<b>(3,037)</b>



<b>Net cash used in investing activities</b>	<b>(4,585)</b>	<b>(3,969)</b>
<b>Financing activities</b>		
Repayment of capital element of lease liabilities	<b>(155)</b>	<b>(173)</b>
Interest paid in respect of leases	<b>(14)</b>	<b>(37)</b>
<b>Net cash used in financing activities</b>	<b>(169)</b>	<b>(210)</b>
Net change in cash and cash equivalents	<b>(906)</b>	<b>(1,094)</b>
Cash and cash equivalents at beginning of the year	<b>12,340</b>	<b>13,753</b>
Effect of foreign exchange on cash and cash equivalents	<b>(81)</b>	<b>(319)</b>
<b>Cash and cash equivalents at end of the year</b>	<b>11,353</b>	<b>12,340</b>

## Consolidated statement of changes in equity

### FOR THE YEAR ENDED 31 MARCH 2024

	Share capital	Share premium	Merger relief reserve	Share option reserve	Foreign exchange reserve	Retained earnings	Total
Year ended 31 March	£000	£000	£000	£000	£000	£000	£000
<b>At 1 April 2022 – Reported</b>	71	6,444	–	566	(43)	1,480	8,518
Prior Year Adjustment	–	(396)	396	–	–	–	–
<b>At 1 April 2022 – Restated</b>	71	6,048	396	566	(43)	1,480	8,518
Loss for the year	–	–	–	–	–	(497)	(497)
Exchange differences on translating foreign operations	–	–	–	–	(181)	–	(181)
<b>Total comprehensive loss for the year</b>	–	–	–	–	(181)	(497)	(678)
<b>Transactions with owners, recorded directly in equity</b>							
Share based payment charge	–	–	–	27	–	–	27
<b>Total transactions with owners</b>	–	–	–	27	–	–	27
<b>At 31 March 2023</b>	71	6,048	396	593	(224)	983	7,867

	Share capital	Share premium	Merger Relief Reserve	Share option reserve	Foreign exchange reserve	Retained earnings	Total
Year ended 31 March	£000	£000	£000	£000	£000	£000	£000
<b>At 1 April 2023</b>	71	6,048	396	593	(224)	983	7,867
Profit for the year	–	–	–	–	–	845	845
Exchange differences on translating foreign operations	–	–	–	–	(136)	–	(136)
<b>Total comprehensive profit/(loss) for the year</b>	–	–	–	–	(136)	845	709

Transactions with owners, recorded  
directly in equity

Reserve transfer on exercising of share options	–	–	–	(436)	–	436	–
Share based payment charge	–	–	–	227	–	–	227
<b>Total transactions with owners</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(209)</b>	<b>–</b>	<b>436</b>	<b>227</b>
<b>At 31 March 2024</b>	<b>71</b>	<b>6,048</b>	<b>396</b>	<b>384</b>	<b>(360)</b>	<b>2,264</b>	<b>8,803</b>

# Notes forming part of the financial statements

## FOR THE YEAR ENDED 31 MARCH 2024

### 1. General information

ActiveOps plc (the 'Company') is a public company limited by shares incorporated and domiciled in England and Wales. The registered office and principal place of business is One Valpy, 20 Valpy Street, Reading, Berkshire, RG1 1AR. On the 17 March 2021 the company became a public limited company, having formerly been known as ActiveOps 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 under the historical cost convention, except where otherwise stated within the accounting policies, and in accordance with International Financial Reporting Standards (IFRS), and with the requirements of the Companies Act 2006 as applicable to Companies reporting under those standards. The financial statements are presented in pound sterling.

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

During the year management have identified prior year restatements in relation to equity and cash investments. Further details of these restatements can be found in note 24 to the consolidated financial statements.

The financial information set out above does not constitute the Company's Annual Report and Accounts for the year ended 31 March 2024. The Annual Report and Accounts for 2023 have been delivered to the Registrar of Companies and those for 2024 will be delivered shortly. The auditor's report for the Group and Company's 2024 Annual Report and Accounts was unqualified.

Whilst the financial information included in this results announcement has been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006, this announcement does not itself contain sufficient information to comply with UK adopted international accounting standards.

#### b) Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the Group will continue to operate 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.

The Directors have prepared detailed financial forecasts and cash flows looking three years from the date of these consolidated financial statements. In developing these forecasts, the Directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period.

On the basis of the above projections, the Directors are confident that the Group has sufficient working capital and available funds to honour all of its obligations to creditors as and when they fall due. In reaching this conclusion, the Directors have considered the current strong levels of cash and cash equivalents, lack of external funding arrangements and its forecasted cash headroom. The Directors have considered the resources available to the Group and the potential impact of changes in forecast growth, severe but plausible downside scenarios and other assumptions, including the potential to avoid or defer certain costs and to reduce discretionary spend as mitigating actions in the event of such changes. Accordingly, the Directors continue to adopt the going concern basis in preparing these consolidated financial statements.

#### 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 year ended 31 March 2024. No new accounting standards were implemented in the year.

#### d) Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls a group 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.

## **e) Revenue**

The Group's revenues consist primarily of SaaS solutions and Training and Implementation revenues ('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.

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 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.

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.

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.

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

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

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

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

## **f) Foreign currency**

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

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

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve or non-controlling interest, as the case may be. When a foreign operation is disposed of, such that control, joint control or significant influence (as the case may be) is lost, the entire accumulated amount in the

translation reserve, net of amounts previously attributed to non-controlling interests, is recycled to the Statement of Comprehensive Income as part of the gain or loss on disposal.

#### **g) Classification of instruments issued by the Group**

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

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

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

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

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

#### **h) Financial instruments**

##### **Recognition and derecognition**

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

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

#### **A. Financial Assets**

Classification and initial measurement of financial assets:

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

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

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

##### **Subsequent measurement of financial assets**

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

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

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

##### **Impairment of financial assets**

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

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

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

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

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

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

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

#### **Trade and other receivables**

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

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

### **B. Financial Liabilities**

Classification and measurement of financial liabilities:

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

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

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

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

#### **i) Property, plant and equipment**

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

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

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

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

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

#### **j) Leases**

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

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

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

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

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 and office spaces that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. There are several property leases in the Group on a one-month rolling contract. These are treated as short-life assets and are recognised on a straight-line basis.

### k) Intangible assets and goodwill

#### Goodwill

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

#### Other intangible assets

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

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

Internally generated intangible assets are recognised where it is probable that there will be future economic benefits from the asset, the cost can be reliably measured, the completion of the intangible asset so that it will be available for sale is technically feasible, and there is intention and ability to complete and sell the intangible asset.

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

Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Customer relationships – 10 years straight line.
- Purchased software – 3 years straight line.
- Intellectual property rights acquired on acquisition – 3 years straight line.
- Development costs – 5 years straight line.

The estimated useful lives are derived from management's judgement of the expected life of the asset. Useful lives are reconsidered at least every financial year-end, or sooner if circumstances relating to the asset change or if there is an indication that the initial estimate requires revision.

### l) Impairment

#### Financial assets (including receivables)

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

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

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

##### **Short term employee benefits**

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

##### **Termination benefits**

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

#### **n) Share based payments**

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

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

##### **Modifications and cancellations**

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

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

##### **Valuation and Amortisation Method**

The Company estimates the fair value of stock options granted using the Black-Scholes option pricing formula for CSOP awards and a Monte Carlo simulation for PSP awards.

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

#### **o) Cash Investments**

Cash investments include cash held on short term deposit for six months and are held at amortised cost.

#### **p) Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and cash invested readily available within 3 months.

#### **q) Provisions**

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

#### **r) Net financing costs**

Financing expenses comprise interest payable, finance charges on finance leases recognised in the Statement of Comprehensive Income using the effective interest method. Financing income comprise bank interest receivable.

Interest income and interest payable is recognised in the Statement of Comprehensive Income as it accrues, using the effective interest method.

#### **s) 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.

#### **t) 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.

#### **u) 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.

##### **Merger relief**

Merger relief represents the excess of the Company's investment over the nominal value of ActiveOps Pty Ltd.'s shares acquired using the principles of merger accounting.

##### **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.

### **3. Key accounting estimates and judgements**

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

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

#### **Capitalisation of development costs**

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

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

During the year the group has capitalised development costs of £1.3m (2023: £0.9m) associated with the delivery of new features across the product set that are expected to further enhance the proposition for the customer and drive future economic benefit. The amount capitalised has been calculated based on the time spent by individual developers on these new features. The costs are amortised using the straight-line method from the launch of the product over the expected life cycle of the enhancements which is expected to be five years. The group has not capitalised costs of £2.2m (2023: £2.7m) associated with maintenance work, projects with no future economic benefit, and internal time including meetings and annual leave.

#### 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 EMEIA (Europe, the Middle East, India and Africa), North America and Asia Pacific. EMEIA are aggregated together as they operate and are managed as one business. All revenue streams are recognised over time.

	SaaS	T&I	Total
Year ended 31 March 2024	£000	£000	£000
EMEIA	13,170	2,057	15,227
North America	5,822	534	6,356
Asia Pacific	4,793	398	5,191
	23,785	2,989	26,774

	SaaS	T&I	Total
Year ended 31 March 2023	£000	£000	£000
EMEIA	11,247	2,678	13,925
North America	5,863	175	6,038
Asia Pacific	4,948	548	5,496
	22,058	3,401	25,459

SaaS contracts delivered over time are mostly 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.

	2024	2023
At 31 March	£000	£000
Contract assets	957	306
Contract liabilities	(14,420)	(13,474)

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

	2024	2023
For the year ended 31 March	£000	£000
Revenue recognised that was included in the contract liability balance at the beginning of the period	13,420	8,146

Contract assets have increased due to timing of customer billing. Contract liabilities have marginally increased due to growth in SaaS revenues invoiced in advance.

## 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.

During the year ended 31 March 2024 approximately £5,675k (2023: £6,301k) of the Group's external revenue was derived from sales to two specific customers with revenues greater than 10% of the total through SaaS and T&I operating segments.

	SaaS	T&I	Total
Year ended 31 March 2024	£000	£000	£000
Revenue	23,785	2,989	26,774
Cost of sales	(3,084)	(1,219)	(4,303)
	20,701	1,770	22,471
	SaaS	T&I	Total
Year ended 31 March 2023	£000	£000	£000
Revenue	22,058	3,401	25,459
Cost of sales	(3,411)	(1,268)	(4,679)
	18,647	2,133	20,780

## 6. Taxation

	2024	2023
For the year ended 31 March	£000	£000
<b>Current income tax</b>		
Foreign current tax on profit for the current period	174	362
Adjustments in respect of prior periods	(44)	34
<b>Deferred tax</b>		
Origination and reversal of timing differences	31	(139)
Adjustments in respect of prior periods	–	9
Effect of change in foreign tax rate on opening deferred tax position	(19)	1
<b>Total tax charge</b>	<b>142</b>	<b>267</b>
	2024	2023
For the year ended 31 March	£000	£000
Profit/(loss) before tax	987	(230)
Tax at domestic rate of 25% (2023: 19%)	247	(44)
Effect of:		
Expenses that are not deductible in determining taxable profit	141	(25)
Differences in current and deferred tax rates	(19)	1
Deferred tax not recognised	(219)	180
Withholding taxes	11	7
Adjustments in respect of prior periods – current tax	(44)	34
Adjustments in respect of prior periods – deferred tax	–	9
Effect of other tax rates	25	105
<b>Total tax charge</b>	<b>142</b>	<b>267</b>

At 31 March 2024 the Company and its Group had tax losses of approximately £18.1m (2023: £19.9m) to carry forward to offset against future taxable profits.

The effect of change in foreign tax rate on opening deferred tax position relates to an increase in corporation tax rate for ActiveOps Australia Pty Limited from 25% to 30%, as the Company is no longer considered a Base Rate Entity for Australian tax purposes due to the revenue of the Group.

## 7. Intangible assets

	Goodwill £000	Customer relationships £000	Purchased software £000	Intellectual property rights £000	Capitalisation of development costs £000	Total £000
<b>Cost</b>						
At 1 April 2022	1,154	6,289	867	125	364	8,799
Foreign exchange	36	135	31	–	–	202
Additions (purchases)	–	–	40	–	–	40
Additions (internal developments)	–	–	–	–	851	851
<b>At 31 March 2023</b>	<b>1,190</b>	<b>6,424</b>	<b>938</b>	<b>125</b>	<b>1,215</b>	<b>9,892</b>
Foreign exchange	(13)	(42)	(10)	–	–	(65)
Additions (purchases)	–	–	9	–	–	9
Additions (internal developments)	–	–	–	–	1,347	1,347
Impairment	–	–	–	–	–	–
<b>At 31 March 2024</b>	<b>1,177</b>	<b>6,382</b>	<b>937</b>	<b>125</b>	<b>2,562</b>	<b>11,183</b>
<b>Amortisation</b>						
At 1 April 2022	–	2,733	480	125	–	3,338
Foreign exchange	–	45	8	–	–	53
Charge for the year	–	630	63	–	73	766
<b>At 31 March 2023</b>	<b>–</b>	<b>3,408</b>	<b>551</b>	<b>125</b>	<b>73</b>	<b>4,157</b>
Foreign exchange	–	–	1	–	–	1
Charge for the year	–	626	68	–	319	1,013
<b>Impairment</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>218</b>	<b>218</b>
<b>At 31 March 2024</b>	<b>–</b>	<b>4,034</b>	<b>620</b>	<b>125</b>	<b>610</b>	<b>5,389</b>
<b>Net book value</b>						
<b>At 31 March 2024</b>	<b>1,177</b>	<b>2,348</b>	<b>317</b>	<b>–</b>	<b>1,952</b>	<b>5,794</b>
<b>At 31 March 2023</b>	<b>1,190</b>	<b>3,016</b>	<b>387</b>	<b>–</b>	<b>1,142</b>	<b>5,735</b>

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

There are two assets included in capitalised development costs which are material to the financial statements.

Asset	Description	Carrying Amount £000	Remaining Amortisation Period
Cloud Gatherer	Gives ActiveOps the ability to host clients data in the cloud rather than on premise.	357	5 years
CaseWorkiQ redevelopment into ControliQ	Replatforming CaseWorkiQ data capture and reporting onto the ControliQ platform to enable a more seamless platform for customers who require both products.	583	5 years

The aggregate research and development expenditure recognised as an expense during the period is £4.3m (2023: £4.0m).

The Group tests internally generated intangible assets for impairment on an annual basis. One project, ControliQ Capex, capitalised during the year ended 31 March 2022 has been identified as impaired and has been written off during the year.

Customer relationships consists of two individual assets: the acquired relationships from the purchase of Open Connect on the 1 August 2019, which has a netbook value of £1.1m (2023: £1.3m) and is being amortised until 31 July 2029; and the acquired relationships from the purchase of ActiveOps Pty Ltd and Active Operations Management Australia on the 1 April 2017, which has a netbook value of £1.3m (2023: £1.7m) and is being amortised until 31 March 2027.

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

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

	2024	2023
At 31 March	£000	£000
Australia	577	577
United States of America	600	613
	<b>1,177</b>	<b>1,190</b>

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

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

The Group tests whether goodwill has suffered any impairment on an annual basis, or more frequently where evidence of impairment indicators exist, by comparing the value of the CGUs with their value in use. Value in use is estimated based on expected future five-year cashflows, assuming a retention decrease of 10% each year, 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 three years based on expected growth within those CGU's over that period.

The key inputs and assumptions into the cashflow forecast are:

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

In determining the potential for impairment of the cash generating units, management considered 5 years of recoverability of each asset and assumed a customer attrition rate of 10%. The Group has discounted the cashflows at 12.0% for the Australian

CGU and 12.0% for the United States of America CGU. There is substantial headroom in the value in use calculations and management have therefore not identified any reasonably possible changes in any key assumption that would lead to the need for impairment of either CGU.

## 8. Property, plant and equipment

	Leasehold improvements £000	Plant and machinery £000	Fixtures, fittings and equipment £000	Total £000
<b>Cost</b>				
At 1 April 2022	171	410	464	1,045
Foreign exchange	(4)	(1)	(5)	(10)
Additions	–	65	25	90
Disposals	–	–	–	–
<b>At 31 March 2023</b>	<b>167</b>	<b>474</b>	<b>484</b>	<b>1,125</b>
Foreign exchange	(2)	(7)	(6)	(15)
Additions	–	96	83	179
<b>At 31 March 2024</b>	<b>165</b>	<b>563</b>	<b>561</b>	<b>1,289</b>
<b>Accumulated depreciation</b>				
At 1 April 2022	171	300	375	846
Foreign exchange	(4)	(2)	(4)	(10)
Charge for the year	–	71	56	127
Disposals	–	–	–	–
<b>At 31 March 2023</b>	<b>167</b>	<b>369</b>	<b>427</b>	<b>963</b>
Foreign exchange	(2)	(6)	(4)	(12)
Charge for the year	–	78	39	117
<b>At 31 March 2024</b>	<b>165</b>	<b>441</b>	<b>462</b>	<b>1,068</b>
<b>Carrying amount</b>				
<b>At 31 March 2024</b>	<b>–</b>	<b>122</b>	<b>99</b>	<b>221</b>
At 31 March 2023	–	105	57	162

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



## 9. Right of use assets

Buildings  
£000

### Net book value

At 1 April 2022	564
Foreign exchange	(3)
Depreciation charge for the year	(142)
<b>At 31 March 2023</b>	<b>419</b>
Foreign exchange	19
Depreciation charge for the year	(137)
<b>At 31 March 2024</b>	<b>301</b>

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

Amounts recognised in the Statement of Financial Position

	2024	2023
	£000	£000
At 31 March		

### Lease liabilities

Current	69	100
Non-current	239	364
	<b>308</b>	<b>464</b>

Amounts recognised in the Statement of Profit or Loss

	2024	2023
	£000	£000
For the year ended 31 March		
Interest expense	14	37
Expense for short term leased properties	126	150
Depreciation of Right-of-use assets	137	142

Amounts recognised in the Statement of Cashflows

	2024	2023
	£000	£000
For the year ended 31 March		
Total cash outflows	<b>295</b>	<b>360</b>

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

## 10. Trade and other receivables

	2024	2023
At 31 March	£000	£000
Trade receivables	4,363	5,507
Prepayments and accrued income	1,398	675
Other receivables	178	191
	5,939	6,373

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

	2024	2023
At 31 March	£000	£000
Trade receivables from contracts with customers	4,384	5,563
Less loss allowance	(21)	(56)
	4,363	5,507

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

## 11. Cash Investments

	2024	2023
At 31 March	£000	£000
Cash Investments	6,253	3,037

In the Year Ended 31 March 2023 financial statements the cash balance of £15,377k included £3,037k of cash held on short term deposit, which has been reclassified to Cash Investments. The Cash Investments balance of £6,253k held at the year end is cash on deposit maturing within 3 months of the year end.