ActiveOps®

DECISION INTELLIGENCE FOR SERVICE OPERATIONS

Annual Report and Accounts 2024

ActiveOps is a global Software as a Service provider helping large enterprises achieve more with their service operations.

Financial highlights*

- ARR growth of 11% (14% constant currency) against prior year
- Total Revenue growth of 5% (9% constant currency), delivering total revenue of £26.8m (2023: £25.5m), driven primarily by increased recurring SaaS (Software as a Service) revenues
- Gross profit margins increased to 84%, (2023: 82%) supported by a heavier SaaS to T&I revenue mix
- Strong increase in adjusted EBITDA 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 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 (2023: £15.4m) and remains debt free

Operational highlights

- Strong expansion across existing customers resulting in Net Revenue Retention (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 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

* For reconciliations of the above alternative performance measures to GAAP measures refer to the Key Performance Indicators and Alternative Performance Measures on page 26.

Annual recurring revenue ('ARR')
£25.1m
2023: **£22.6m +11%**

Software & subscription revenue
£23.8m
2023: **£22.1m +8%**

Training & implementation ('T&I') revenue
£3.0m
2023: **£3.4m -12%**

Gross margin
84%
2023: **82% +2ppts**

Adjusted EBITDA
£2.4m
2023: **£0.7m +243%**

Profit/(loss) before tax
£1.0m
2023: **£(0.2)m +600%**

Earnings/(loss) per share
1.18p
2023: **(0.70)p**

Cash and cash investments
£17.6m
2023: **£15.4m +14%**

OUR PERFORMANCE

Read about our year of continued growth, increased profitability and capability development from CEO Richard Jeffery.

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DECISION INTELLIGENCE

Explore how Decision Intelligence enables out customers to deliver more from their service operations.

pg04

OUR MARKET OPPORTUNITY

Read about or significant market opportunity and competitive differentiation.

pg16

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About Us

WHO WE ARE

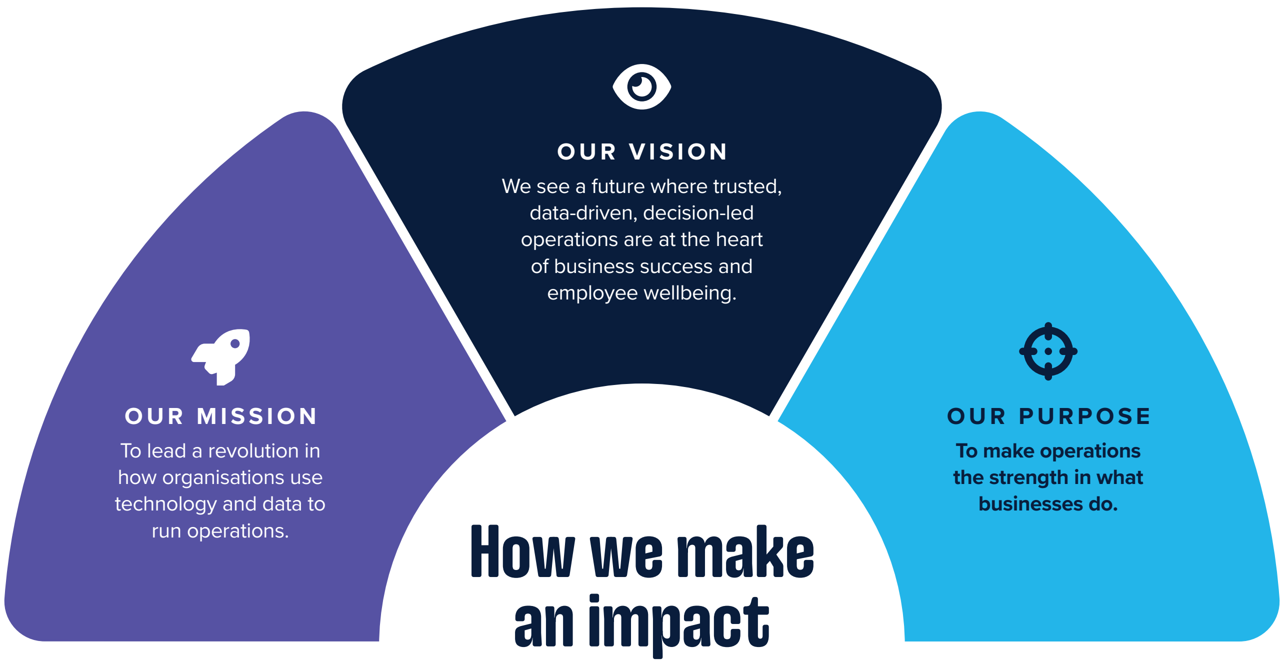
ActiveOps is a Software as a Service business, dedicated to helping organisations create MORE value from their service operations.

The service operations within banks, insurance, healthcare administration and many other businesses are constantly under pressure to reduce costs, increase efficiency and focus on employee wellbeing all while trying to maintain a great customer experience. This is easier said than done. Most of these businesses have invested in various technologies and process changes to help drive efficiency, but still find themselves struggling to meet SLAs and operational targets whilst coping with increased regulation and constant change.

That's where we come in. Our 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; double digit improvements in productivity; and backlogs of work materially reduced.

MISSION, VISION AND PURPOSE

Service Operations play a critical role in delivering outcomes to customers, but are rarely seen as a strength or differentiator of the organisation's proposition. Despite widespread investment in technology and data architectures, many Service Operations lack both the data and decision making tools required by the leaders tasked with running operations. We've embarked on a journey to change this and truly make operations the strength in what businesses do.



WHERE WE ARE

We employ 183 people based in eight offices, covering five different continents. Our 74 enterprise customers have more than 100,000 users of our software located in 40+ countries.

Enterprise customers
74

Staff (March 2024)
183
global offices on five continents

Implementations
29
delivered during FY24

Customer employee capacity
>139m
hours managed each year

Individual software users
>120,000

Customer activities
2.5bn
tracked by our software each year

Users in more than
40
countries globally

Nationalities
21
represented in the ActiveOps team

About Us continued

WHAT WE DO

ActiveOps provides AI-powered Decision Intelligence software which ensures operations leaders make better decisions, faster, and more efficiently. Our Software as a Service solutions identify capacity not being fully utilised and make it available to deliver more work, improve customer experience, reduce backlogs/risk, complete projects and reduce risk.

Service Operations are the heart of business success

Service Operations are crucial to the success of the banks, insurance companies, healthcare administrators and business processing services organisations served by ActiveOps. The performance of operations defines a Customer's experience of an organisation. They turn requests into fulfilled commitments, orders, new accounts, and sales whilst reducing risk. Operations represent a significant proportion of the organisation's cost base, so high performing operations truly are crucial to overall business success.

The crucial science of running Service Operations

In today's digital-first, self-service enabled world it remains that people are still the most crucial parts of a customer journey. Leaders running service operations are charged with meeting service levels and maintaining customer experience, whilst constantly increasing efficiency and absorbing change. Success means making the very best use of people's time and capacity. Running service operations means ensuring the best people and skills are in the right place at the right time, that work is prioritised correctly, performance and quality are maintained, and that people are motivated and engaged. Without this, even the most efficient process and technology will deliver a poor customer outcome.

Decision Intelligence for Service Operations

Every day, operations leaders make thousands of decisions, both strategic and tactical. Many face significant challenges in using data to support these decisions, meaning many are made based upon intuition rather than fact, or in isolation of the bigger picture. ActiveOps 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. Sharpening decisions has a massive impact and gives your leaders the time to truly drive business outcomes. Customers typically unlock 20% of their operations capacity and use this time to deliver more work, improve customer experience, reduce backlogs, reduce risk, complete projects and reduce cost.

Average capacity gain

20%

In 1st year

"Decision Intelligence helps target investments in data, analytics and AI by identifying aspects of the decision-making process that rely too heavily on assumptions, instincts or the way things have supposedly always been done, rather than instead being data-driven."[1]

1 Gartner®, Top Strategic Technology Trends for 2022: Decision Intelligence, Pieter den Hamer, 31 May 2023 GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally and is used herein with permission. All rights reserved. The Gartner content described herein (the 'Gartner Content') represents research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. ('Gartner'), and is not a representation of fact. Gartner Content speaks as of its original publication date (and not as of the date of this Annual Report), and the opinions expressed in the Gartner Content are subject to change without notice.

EXAMPLES OF DECISION INTELLIGENCE FOR SERVICE OPERATIONS

Challenge	Solution	Typical benefit
Matching capacity to workload across thousands of different tasks	AI powered Smart-Planning predicts incoming work and optimises allocation of skills and capacity across functions	20% increase in productivity. Increased ability to deliver service levels
Creating and maintaining the required skills within the operations workforce	Smart-Skills capability utilises AI to automatically create/maintain a skills catalogue	Reduces risk of skills shortage or mismatch. Reduces huge overhead of traditional skills catalogue maintenance
Lack of management visibility leads to complex cases breaching service level or consuming excessive resource	Case progress and resource consumption data drives predictive case alerts providing early warning of problem cases	Reduce risk of missed service levels and associated regulatory penalties

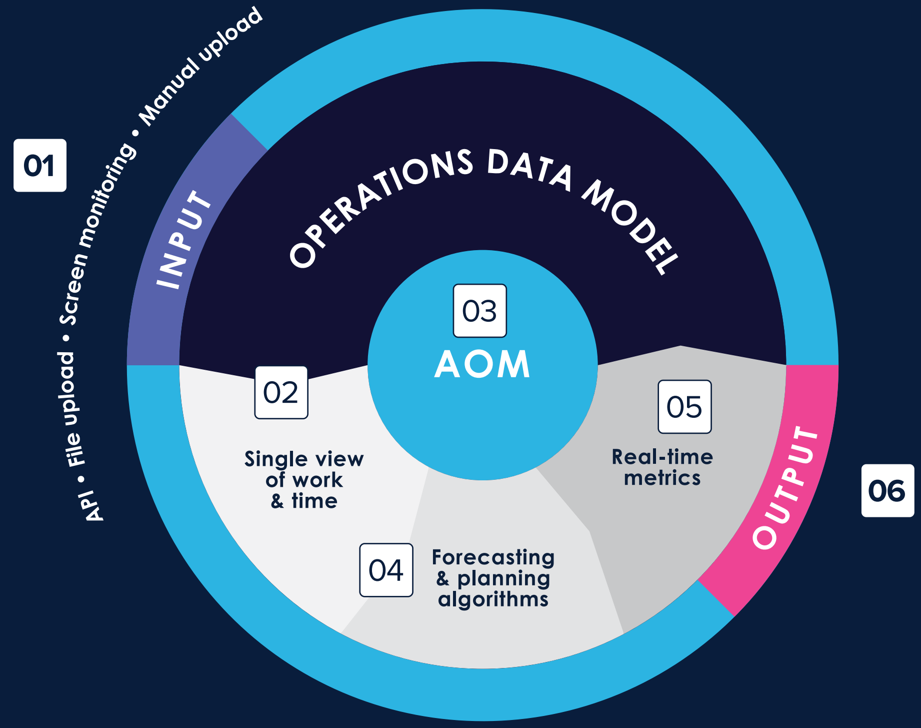
For more: activeops.com/more-stories/

About Us continued

HOW WE DO IT

Decision Intelligence for service operations. The power to make the right decisions – faster.

The ActiveOps product set has been developed over a 20 year period, harnessing the learnings from successful deployment to thousands of teams across the broadest range of operational environments. We have more than 15 years of operational data at our disposal, to inform the development of our Decision Intelligence tools and train our AI algorithms. Our software is built to orchestrate our proprietary operations management methodology, 'AOM', the product of our expertise and experience. AOM is embedded in our technology, guiding the decisions of your leaders and ensuring a common language and consistent approach throughout your operations.



01

Our solutions take data from existing applications used to process work and manage time.

02

Create insight relevant to managing operations: previously disparate data sources come together in our operations data model, creating a unique single view of work and time.

03

Active Operations Management ('AOM'), our best practice operations management methodology embedded in our technology and algorithms.

04

AI models and decision support tools specifically developed to provide answers to key decisions. Automating decisions where appropriate, or otherwise augmenting leaders decision making.

05

Diagnostic, predictive and prescriptive insights at all levels of the organisation, from team manger to operations executive.

06

Operations Intelligence flows out to adjacent applications, including human capital management, data warehouses, business intelligence, and more.

OVERVIEW OF ACTIVEOPS PRODUCT OFFERINGS

	ControliQ	CaseworkiQ	WorkiQ
What type of operations is it applicable to?	Employees performing transactional processing work	Employees performing transactional case management work	All employees who work at a PC
What does it do?	• Captures details of work performed across all software applications • Consolidates attendance, use of time and details of tasks completed in a single repository • Forecasts future workloads and plans the optimal deployment of resources and skills • Provides reports and dashboards to support performance management, process improvement and skills development • Provides real time insight to managers, leading to more timely decisions, optimising performance, service delivery and employee experience		• Automatically gathers data by analysing PC desktop activity • Captures applications/ screens used, time spent by activity and volume of key tasks completed • Provides insight to support performance management, process improvement and skills development
	• Automates skills catalogue creation and maintenance • Orchestrates key operations review meetings	• Tracks case progress against service commitments • Provides early warning of cases likely to breach SLA or consume excessive resource • Visualises the business process to support optimisation	
Key benefits	• 20% or greater release in capacity • Increased operational resilience and agility • Improved employee experience • Enables digital transformation, automation and other transformation initiatives		• 10% or more increase in time focused on the most important work • Visibility of working time and activity to enable hybrid and flexible working models

WHAT MORE LOOKS LIKE...

Our customers know that finding and releasing their hidden capacity can reduce overtime, reduce temporary hires, balance their team's workloads, meet SLAs, manage employee wellbeing and scale for peak times. They can do all of this in real-time with Decision Intelligence. The results are phenomenal.

AIB

AIB: Retail Operations

Read more on page 09

NEDBANK

NedBank Retail and Business Banking Operations

Read more on page 14

Atlanta Group

Read more on page 29

Chair's Statement

A YEAR OF DELIVERING FOR ALL OUR STAKEHOLDERS

with Sean Finnan, Non-Executive Chair

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.

"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."

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.

Financial performance

We have delivered another year of profitable growth. I am particularly pleased with the double-digit growth in SaaS revenue and ARR[1], 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[1], 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[1] 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.

1 For more information on alternative performance measures see page 26.

AIB

Doubling workload

The challenge:

The challenge: Create an agile operation capable of supporting the changed customer mix and profile, post Covid.

The solution:

Implementation of ControliQ, supported by ActiveOps regional partner Xcentuate.

The results:

- Reduced cost per unit: double the workload with only a 50% increase in staff
- Improved the consistency of customer service
- Reduced customer journey times
- Significant reinvestment of capacity in training to achieve an agile, cross-skilled workforce

"We've doubled the workload that comes in but we've only needed to increase capacity by 50%."

MORE STORIES

For more: activeops.com/more-stories/

Chair's Statement continued

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's Statement

CONTINUED GROWTH, INCREASING PROFITABILITY AND A PLATFORM FOR EXPANSION

Richard Jeffery, Group Chief Executive Officer

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.

CEO's Statement continued

Annual recurring revenue

+11%

Software & subscription revenue

+8%

"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."

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.

CEO's Statement continued

NEDBANK

Operations excellence

Objective:

Reduce cost income ratio. Make operations management capability a strength of a new client-centred operating model.

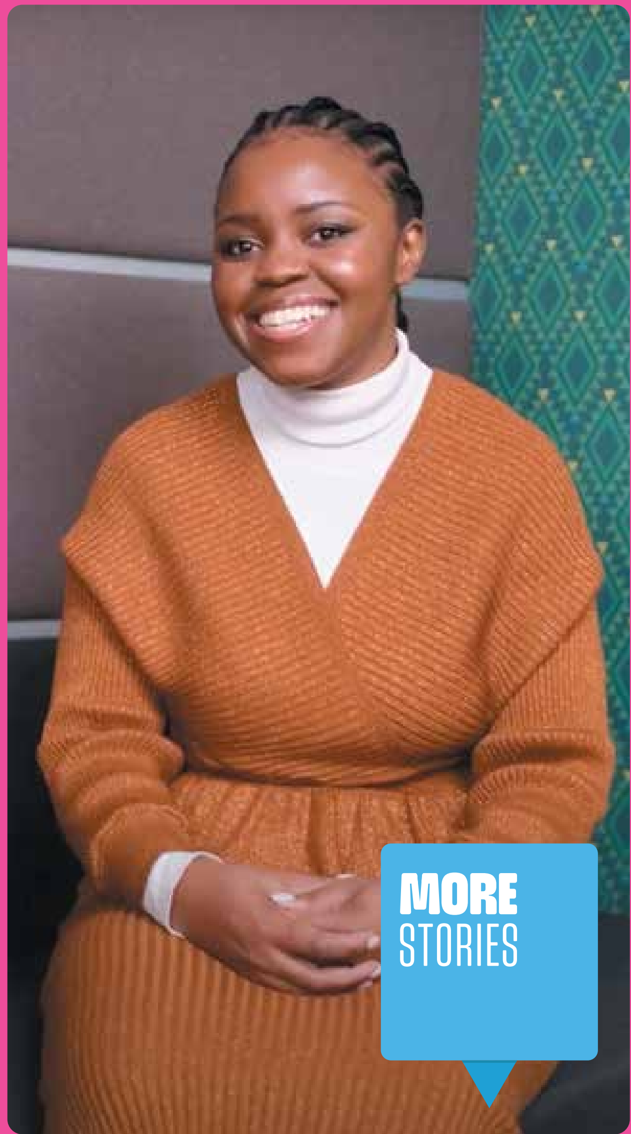
The solution:

Implementation of ControliQ and AOM

The results:

- 21% improvement in productivity in first year
- 23% reduction in overtime
- Huge increase in Net Promoter Score, ranking Nedbank first amongst its peer group
- An operations excellence focused culture

"The industry benchmark for registering home loans is 55 days. We are now tracking at 43 days on average."



For more: activeops.com/more-stories/

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, 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 EMEIA 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

Richard Jeffery
Group Chief Executive Officer

Market Overview

A LARGE MARKET AND DIFFERENTIATED OFFERING

The market for the Group's solutions is global and large. Today we focus in a well defined set of industries and geographies, but with large-scale service operations present in all industry sectors, the potential is huge. The surge in interest in AI, increased regulation, challenging economic climate and continued uncertainty relating to hybrid working are all market forces which are driving interest in our capabilities.

Decision Intelligence for Service Operations – a large and global market

The Decision Intelligence market was estimated to be worth more than $12bn in 2023, growing to greater than $36bn in 2030[1]. Gartner has identified Decision Intelligence as a top strategic trend, featuring in nine of its technology hype-cycle reports. ActiveOps focuses on a specific subset of this market, serving the operations in banking, insurance, business processing services and healthcare administration. These organisations have very large populations of service operations and the Group has an outstanding track record of delivery in these industries. These industries, in our current geographies, represent a market opportunity in excess of £900m per year, including more than £90m of further opportunity within our existing customers. Industries such as utilities and government also offer significant potential in the long term.

Supportive market forces

ActiveOps benefits from numerous supportive market forces. Increased appreciation of the power of AI, greater regulatory pressure, the necessity to offer high quality customer experiences, economic pressure and ongoing uncertainty over hybrid ways of working, all serve to create interest in Decision Intelligence and demand for our offerings.

MARKET FORCE	RELEVANCE TO ACTIVEOPS
ACCELERATED INTEREST IN AI	**Automation remains a priority for service operations and AI is key to achieve it. ActiveOps solutions use AI to automate and augment decision making processes and are a quick win for organisations seeking to exploit AI.**
INCREASED REGULATORY PRESSURE TO RUN RESILIENT OPERATIONS OUTSTANDING CUSTOMER EXPERIENCE, AN IMPERATIVE RATHER THAN LUXURY	**ActiveOps solutions create agile, data-driven operations which are better able to respond to changing circumstances and meet customer expectations.**
CHALLENGING ECONOMIC CONDITIONS	**ActiveOps reliably improve performance and release capacity, allowing organisations to deliver more with their existing workforce, or save cost. Customers are also more able to capitalise on the benefits of their automation and process improvement programmes.**
CONTINUED UNCERTAINTY RELATING TO HYBRID WAYS OF WORKING	**Our solutions provide the data needed to understand, design and improve your ways of working. Customers aspiring to hybrid models gain the confidence to offer flexibility over when and where people work.**

1 Source: Grand View Research. Decision Intelligence Market Size and Share Report, 2030.

The Group is a market leader

The Group is a market leader, with a proven track record of delivering for our customers globally. ActiveOps products have been built to meet the specific challenges of managing service operations. Direct competition comes from Decision Intelligence platform providers or traditional workforce management optimisation software. In both cases, these less specialised products are not as effective at delivering performance improvement and thus enabling customer's desired outcomes. Employee Productivity Monitoring software is another competing technology, but typically supports only a small subset of the decisions faced by operations leaders. Competition also comes from in-house developed solutions which cannot offer equivalent functionality to ActiveOps and frequently lack the scalability, robustness and extendibility of our enterprise grade solutions.

ActiveOps continues to invest in bringing new products to market (such as CaseWorkiQ) and delivering AI enabled enhancements which expand the range of decisions supported, the effectiveness of the decisions and the speed to reach a decision. These innovations serve to both increase the potential user base for our products and further differentiate us from our competition.

<table>
<tr><th></th><th colspan="5">SOURCES OF COMPETITION</th></tr>
<tr><th></th><th>Multi-purpose Decision Intelligence Software</th><th>Workforce Management/ Optimisation Software</th><th>Employee Productivity Monitoring Software</th><th>In-House Developed Solutions</th><th>Substitution</th></tr>
<tr><td rowspan="5">ACTIVEOPS DIFFERENTIATORS</td><td colspan="4">15 years of operations data with which to train our AI</td><td rowspan="5">Significant ROI and certainty of benefit
Low risk – no change to processes or core IT
Enabling of other change initiatives</td></tr>
<tr><td colspan="4">Greater capability of developed functionality and future roadmap</td></tr>
<tr><td colspan="4">Operations management method (AOM) at the heart of our technology</td></tr>
<tr><td colspan="4">Our focus on enterprise credentials</td></tr>
<tr><td colspan="3">Purpose built for the needs of service operations</td><td>Scalability & maintainability</td></tr>
</table>

Business Model

CREATING AND SUSTAINING VALUE FOR ALL OUR STAKEHOLDERS

We see a future where trusted, data-driven, agile operations are the heart of business success and employee wellbeing. Our mission is to lead a revolution in how organisations use technology and data to run operations.

WHY WE ARE DIFFERENT

Rapid, sustained customer benefits
Our customers are constantly undergoing change, much of it highly disruptive. ActiveOps solutions are deployed in days, require no change to core technology or business processes, and deliver measurable performance and employee engagement benefits in just weeks.

Human centric design principles
Our products promote the use of performance data in an open manner which treats employees with respect. Our approach focuses on giving people the opportunity to excel whilst motivating them to do so. These principles reflect our values and are an important source of differentiation.

Embedded expertise
The deep operations management expertise of our team is at the heart of our solutions. Our combination of technology embedded with best practice method enables customers to deliver benefits very quickly and sustain them in the long term.

Long-term partnership
ActiveOps works closely with its customers providing insight and support to management teams to maximise the value derived from our solutions. Many of ActiveOps' customers have been using our solutions for more than ten years.

Enterprise mindset
ActiveOps solutions are universally applicable across back-office operations and designed to be operated at scale.

WHAT WE DO

We provide Decision Intelligence software which radically improves the accuracy and efficiency of decision making within the service operations of large enterprises. Enabling managers to make thousands of operations management decisions better and quicker leads to significant, rapid and sustainable improvements of performance. As a result, customers improve customer experience, improve efficiency, reduce cost, increase resilience and improve employee experience.

HOW WE DO IT

Develop industry-leading solutions
We build uniquely rounded solutions, comprising software, management method and the change-management processes to deliver benefits to customers rapidly and at scale.

Deliver sustainable benefits and change for our customers
Our Training and Implementation teams and partners deploy our solutions alongside customer teams to deliver the outcomes targeted by each individual customer.

Partner with customers for the long term
Our Customer Success teams work in partnership with customers to ensure our solutions continue to be utilised effectively and deliver ongoing value.

Engage colleagues
We invest in our people to ensure they are engaged and fully equipped to perform their roles. Strongly influenced by our values, our working environment is inclusive and people are empowered and enabled to develop personally and professionally.

UNDERPINNED BY OUR CORE VALUES

HOW WE GENERATE REVENUE

SaaS revenues: 89% (FY23: 87%) – we sell software licences for our ControliQ, WorkiQ and CaseWorkiQ products. Our software is licensed on a per-user basis and licences include the provision of the SaaS service, support and access to future upgrades of the purchased product.

Training and Implementation revenues: 11% (FY23: 13%) – we provide training, implementation and integration services to deploy our solutions and help customers gain maximum value from their investment in ActiveOps.

Software & subscription revenues

£23.8m

+8%

Training & implementation revenue

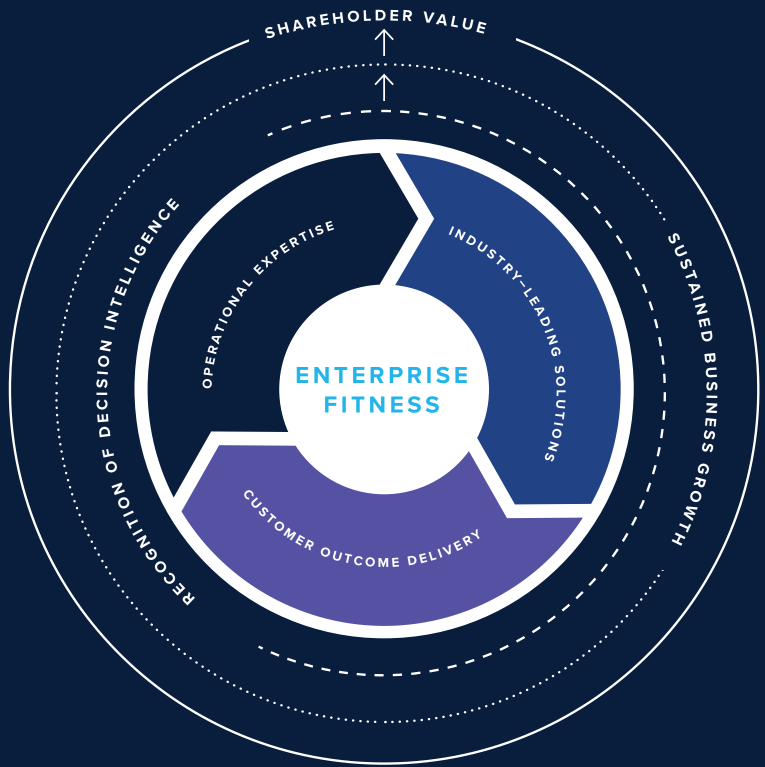
£3.0m

Annual recurring revenue ('ARR')

£25.1m

+11%

HOW WE CREATE VALUE



Customers typically improve productivity by 20% or more in the first year of using our solutions.

HOW WE CREATE VALUE FOR OUR STAKEHOLDERS

Customers
We enable our customers to deliver critical services more efficiently and effectively.

Customers typically improve productivity by 20% or more in the first year of using our solutions. Our solutions enable customers to balance productivity with employee experience. Their employees benefit from working in a better-managed and engaging environment, equipped to offer flexibility over how, when and where people work.

Employees
Our employees work in an exciting, fast-paced environment where the work they do makes a genuine difference to the performance of our customers' businesses. They have rewarding careers in highly-skilled disciplines and many are able to extend their skills into new areas and support the business in multiple regions during their career.

Investors
Our business model, supported by our strategy, aims to deliver sustainable long-term growth and returns to our shareholders.

Communities
We rely on the local communities and aim to make a positive impact on them and the environments in which we operate, including reducing environmental impacts.

Global
in outlook, standards, customers

Expert
leadership by standing out from the crowd

Authentic
to ourselves and about our commitments

Collaborative
to leverage collective brilliance

Our Strategy

DRIVING GROWTH THROUGH EXPERTISE AND INNOVATION

Whilst our strategy has not changed drastically since the FY23 report, we have revised the strategic pillars used in the report to increase clarity and reflect the change in our messaging and positioning under the banner of Decision Intelligence for Service Operations.

STRATEGIC PILLAR	DEVELOPMENTS IN FY24	FY25 FOCUS AREAS
Recognition of Decision Intelligence in Service Operations	• Relaunched proposition under Decision Intelligence ('DI'), recognising the strong analytics and AI capabilities of our product set • Invested in marketing capability, leading to a significant increase in the quality of sales lead generation • Expanded conference and awards programme to cover all key territories • Increased voice of authority through OpsTracker market report and Ops Game-Changers podcast series, and joint AI research with Henley business school	• Use DI positioning to create pull from technology and analytics stakeholders as well as operations • Build recognition with new analyst communities • Continue to invest in initiatives which grow brand recognition and demonstrate ActiveOps authority, including via our partnerships with Microsoft and Henley Business School

STRATEGIC PILLARS	DEVELOPMENTS IN FY24	FY25 FOCUS AREAS
Industry-leading solutions	• Delivered major step change in software capability; – AI driven forecasting, planning and service level management – Virtual operations optimisation meeting support – AI powered automatic skills detection and management – Cloud delivered version of WorkiQ, offering quicker benefit delivery – Early warning system for at-risk cases – Integration with Microsoft Teams • Redevelopment of license model providing customers greater choice and ensuring value to ActiveOps from new capabilities • Specified and commenced development of the second phase of highly differentiating AI capabilities for release in FY25	• Next phase of AI roadmap delivery: – Operations Co-pilot prompting leaders to make interventions which will improve performance – Strategic planning capability – Expansion of metrics and insights to support senior executive decision making – Process insights, adding process understanding to operations insights – Further automation of existing features to increase precision of decision making and reduce required effort
Continually delivering MORE for our customers	• Another successful year of delivering implementations and the customer's targeted value • Significantly increased the number of customers using the data integration toolsets which were added to the platform in recent years • 90% of customers live on the latest versions of core technology and receiving continual stream of enhancements	• Create integration services business-line to support connectivity ambitions of customers • Continue outstanding track record of customer delivery • Offer customers a range of implementation journeys and approaches to allow them to scale at desired pace
Sustainable revenue growth	• Secured strategically important new logos with significant expansion potential • NRR of 107% and record low levels of license churn • Increased ARR in seven of our 10 biggest accounts. 82% of customers globally increased or maintained ARR, including 27% who increased ARR by 20% or more • Won 3 strategically important competitive RFPs with major global organisations, providing confirmation of product and Company capability/credibility • Significant expansions of ARR in developing territories; 29% in Canada and 68% in South Africa in constant currency • First significant Microsoft marketplace transaction, and greater presence of this model in the pipeline • Key new senior hires aimed at boosted growth potential: Group Managing Director, APAC Managing Director, Africa Chair	• Scale sales force, acquiring skills/experience to capitalise on the Decision Intelligence positioning • Accelerate acquisition of key new logos • Accelerate growth in APAC and US • Continue successful implementation of land and expand strategy

Key Performance Indicators and Alternative Performance Measures

SOLID AND SECURE GROWTH

The Board monitors the Group's progress against its strategic objectives, assessing financial and non-financial performance against the Group's strategy and budgets.

FINANCIAL KPIs

Total revenue

Total revenue – audited

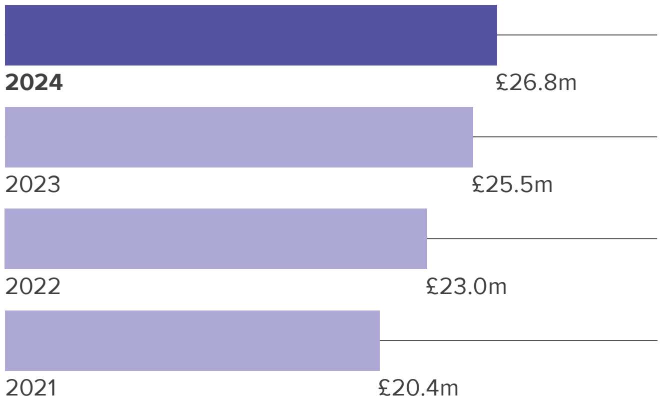
£26.8m

Definition

SaaS revenues from license sales to access ControliQ, WorkiQ and CaseWorkiQ and Training and Implementation revenues from implementations delivered to customers.

2024 performance

Total revenue increased by 5% to £26.8m, constant currency 9%, driven by growth in recurring revenues alongside an ongoing challenging backdrop for T&I revenues.



Link to strategy

Exit annual recurring revenue

Exit ARR – unaudited

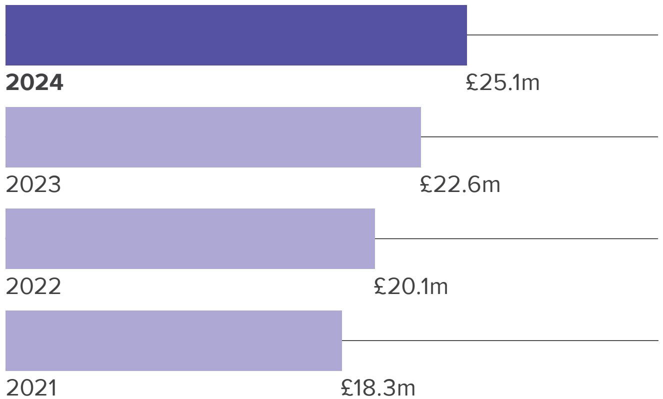
£25.1m

Definition

Annual recurring revenue is defined as recurring SaaS revenues, new contract wins excluding lost contracts. The exit position of recurring revenue from contracts with customers.

2024 performance

Exit ARR increased by 11%, constant currency 14%, driven predominantly by pricing increases and sales to new customers.



Link to strategy

* See page 26 for alternative performance measures

Key to strategic pillars

- Recognition of Decision Intelligence in Service Operations
- Industry-leading solutions
- Continually delivering MORE for our customers
- Sustainable revenue growth

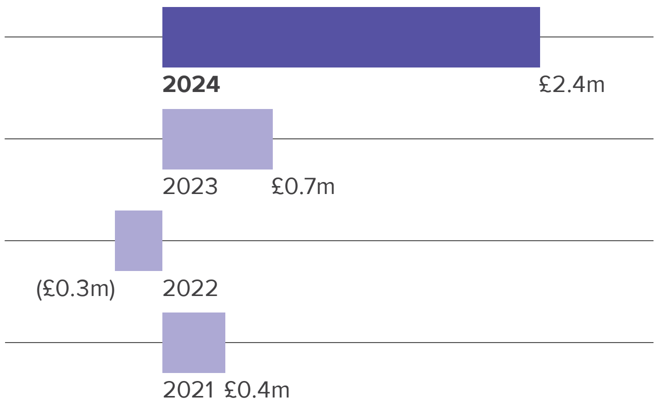
Adjusted EBITDA*

Adjusted EBITDA – audited

£2.4m

Definition
Operating profit before depreciation, amortisation and share-based payment charges, and including forex movements.

2024 performance
Adjusted EBITDA remains profitable as the Group continues to focus on the development of advanced AI-based product features with prudent cost management.



Link to strategy

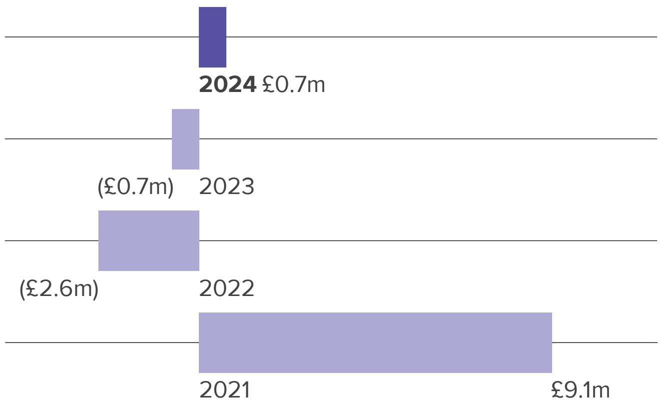
Profit/(loss) for the year

Profit/(loss) for the year – audited

£0.7m

Definition
Reported profit/(loss) for the year.

2024 performance
Movement to a profit for the year versus prior year loss following increased revenue and slower cost growth.



Link to strategy

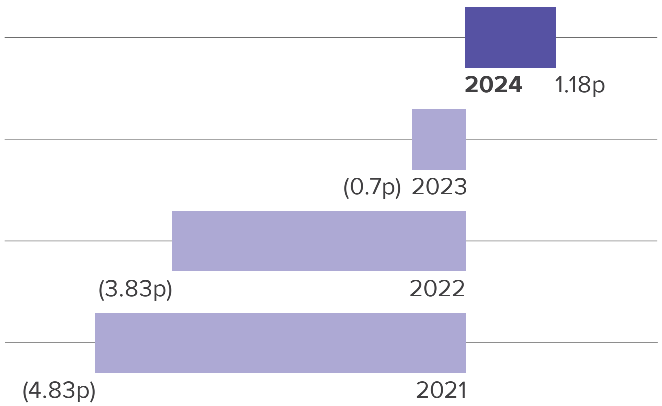
Earnings per share

Earnings per share – audited

1.18p

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

2024 performance
EPS has improved to a profit of 1.18p per share.



Link to strategy

* See page 26 for alternative performance measures

Key Performance Indicators and Alternative Performance Measures continued

FINANCIAL KPIS

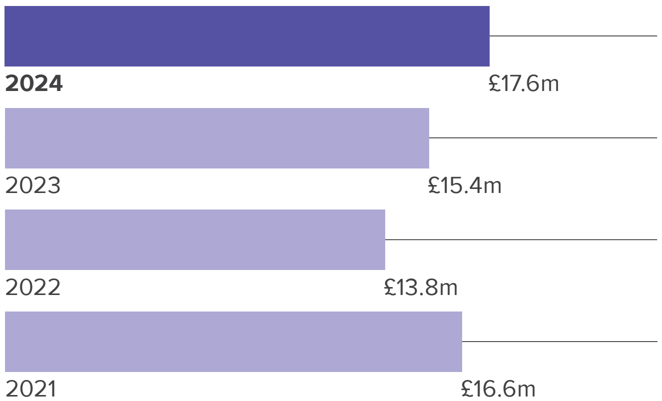
Cash and cash investments*

Cash and cash investments – audited

£17.6m

Definition
Cash and cash equivalents plus cash investments on the Balance Sheet at the period end.

2024 performance
Cash and cash investments increased to £17.6m with continued annual in advance billing.



Link to strategy

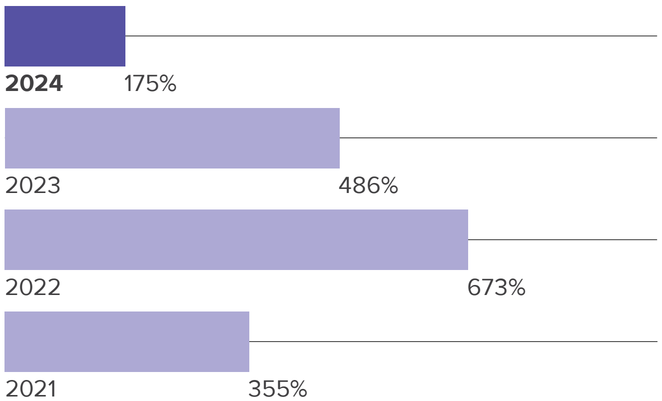
Operating cash conversion*

Operating cash conversion – unaudited

175%

Definition
Cash generated from Operations as a percentage of adjusted EBITDA.

2024 performance
ActiveOps continues to drive cash ahead of profit following the annual in advance billing model, with positive operating cash flow of £4.2m being substantially head of EBITDA generation.



Link to strategy

NON-FINANCIAL KPIS

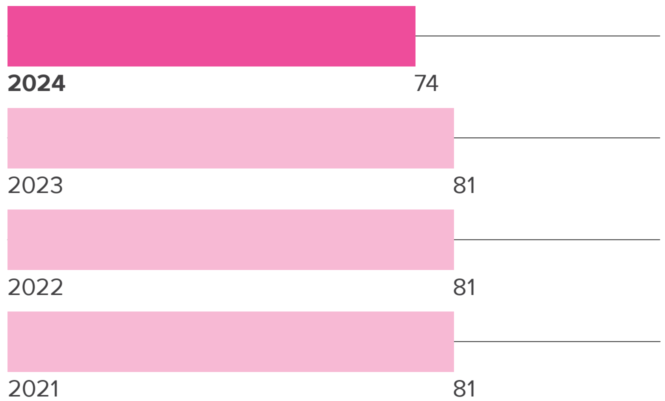
Number of customers

Number of customers – unaudited

74

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

2024 performance
Customer numbers in the year have decreased, with some significant new customers added and some smaller customers leaving.



Link to strategy

* See page 26 for alternative performance measures

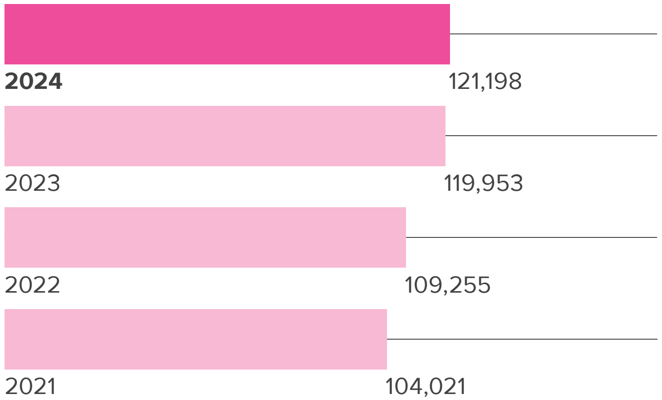
Number of software users

Number of software users – unaudited

121,198

Definition
Number of users who have access to the software platform.

2024 performance
Increase in number of software users in the year.



Link to strategy

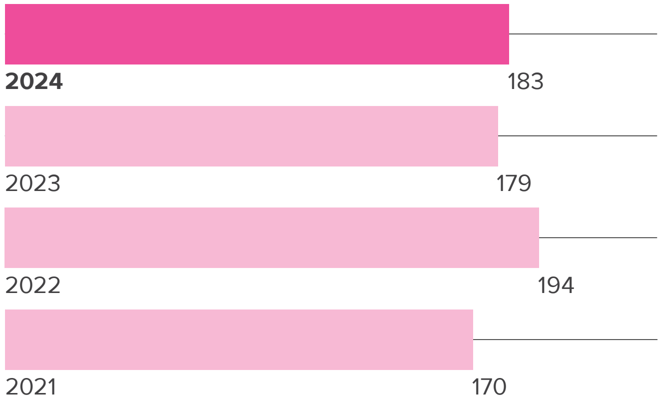
Number of employees

Number of employees – unaudited

183

Definition
Number of employees at the end of the period.

2024 performance
An increase in headcount due to continued investment in Customer Success roles and operational heads.



Link to strategy

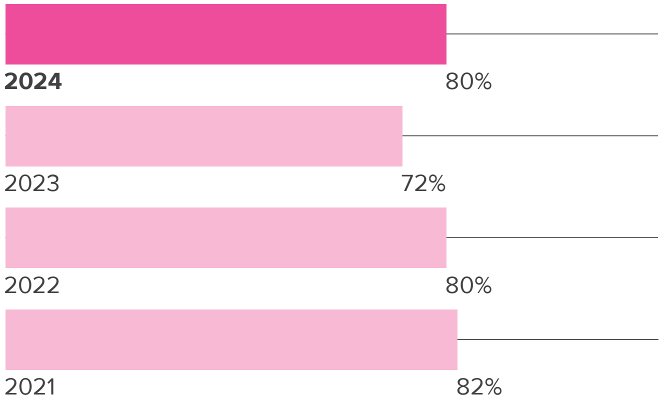
Employee engagement

Employee engagement – unaudited

80%

Definition
The business undertakes annual engagement surveys measuring a variety of employee engagement metrics.

2024 performance
Consistently high engagement survey scores maintained.



Link to strategy

Key Performance Indicators and Alternative Performance Measures continued

OTHER ALTERNATIVE PERFORMANCE MEASURES

Net revenue retention

Net revenue retention – unaudited

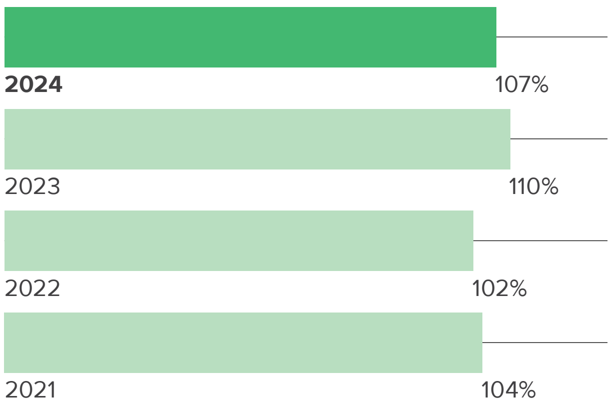
107%

Definition

Net Revenue Retention is defined as the improvement in recurring SaaS revenue excluding new contract wins.

2024 performance

Low levels of license churn in addition to price increases and expansions.



Link to strategy

Adjusted EBITDA

Reconciliation to GAAP measure

	Operating Profit/(Loss)	Depreciation and Amortisation	Impairment Loss	EBITDA	Share Option Charges	Translation Reserve	Adjusted EBITDA
FY24	0.85m	1.27m	0.22m	2.34m	0.23m	(0.14m)	2.4m
FY23	(0.22m)	1.04m	–	0.82m	0.03m	(0.18m)	0.7m

Cash and cash investments

Reconciliation to GAAP measure

	Cash and Cash Equivalents	Cash Investments	Cash and Cash Investments
FY24	11.35m	6.25m	17.6m
FY23	12.34m	3.04m	15.4m

Operating cash conversion

Reconciliation to GAAP measure

Net cash from operating activities	4.2
Adjusted EBITDA	2.4
Operating cash conversion	175%

Group Financial Performance and Chief Financial Officer's Report

PROFITABILITY MILESTONE IN A YEAR OF GROWTH

Emma Salthouse, Chief Financial Officer

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.

Group Financial Performance and Chief Financial Officer's Report continued

	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

Revenue

Total revenue of £26.8m (2023: £25.5m) was 5% ahead of the prior year (9% ahead on constant currency), with software and subscription revenues increasing 8% to £23.8m (2023: £22.1m) arising from both new and existing customers. Revenue growth was strong with EMEIA 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 ('ARR') 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 operating 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 1.13p (2023: loss 0.70p).

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 £11.3m at the end of the year (2023: £12.4m) 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

Emma Salthouse
Chief Financial Officer

Exceeding targets

Objective:

Upgrade legacy workforce management capabilities established 15 years ago

The results:

- **Exceeded target productivity increase of 12%**
- **Operations processing for additional brands absorbed into existing operations**
- **Improved engagement scores as a result of better balancing of work**
- **Increased multi-skilling of employees**

"We've seen double digit percentage improvements in productivity enabling us to do more with less and allow the business to expand."

MORE STORIES

For more: activeops.com/more-stories/

Environmental, Social and Governance Report

PROUD TO BE A DIVERSE, GLOBAL BUSINESS

ActiveOps has always been proud to be a diverse, global business and has sought to adopt sound governance structures through its development.

Since our listing in March 2021 we have adopted a more formal approach to managing and developing our ESG agenda in the business with the implementation of a formal framework, and ongoing work to embed appropriate policies and practices across the ESG framework into the business.

The Group ESG agenda supports this goal by delivering positive impacts for our employees, the environment and our wider group of stakeholders.

This report represents the Environmental, Social and Governance information and metrics which have been adopted by ActiveOps since being quoted on the AIM market of the London Stock Exchange and includes details of the ongoing development, management and measurement of the Group policies and procedures since.

ESG management
The Board has established an ESG committee led by Hilary Wright (Independent Non-Executive Director) with appropriate representation from within the business. The committee met to consider the ongoing appropriateness of the Global Reporting Initiative ('GRI') framework, progress against the identified GRI standards that were previously selected and considered additional GRI's that were felt to be appropriate for the business.

The GRI framework is comprised of three core standards and 33 individual standards broken down between Environmental (eight standards), Social (18 standards) and Economic & Governance (seven standards) as noted below.

Environmental (planet)

The Group recognises that its activities should be carried out in an environmentally responsible manner. We aim to ensure that the Group can grow sustainably, minimising the environmental impacts of not just of our products, but also in how we operate as a business.

As a supplier of software solutions, we have no manufacturing facilities, and our premises exclusively comprise office space which we continually review to ensure it is not excessive. The Group actively minimises waste and has adopted recycling policies, for example, in respect of our paper consumption, as well as ensuring energy usage is efficiently managed both inside and outside of office opening hours. As a Group, we are committed to proactively reducing our carbon footprint and have put in place measures to assess the current position of the business.

The two biggest contributors to ActiveOps own carbon footprint are data centres and travel. Our data centre provider, Microsoft Azure, is carbon neutral as well as offering world-class levels of security and service at a competitive price, as part of the Group's partner relationship with Microsoft.

Travel to meet customers and to enable effective collaboration between teams is an important part of the Group's operations. Travel has increased each year since the Covid-19 pandemic when travel was at minimum levels. The Group has increased travel as we believe it is important for business performance, individual development and well-being to enable teams to meet in person on an appropriate basis. Whilst we continue to prioritise remote delivery solutions, some customers require on-site presence of our Delivery team, although remote delivery accounts for most of the implementation work completed. We continue to closely monitor our travel requirements and will continue to deliver remote implementations and support as long as it meets our existing customer service standards.

Within the GRI, ActiveOps has identified environmental standards which are relevant to the business, including the reporting of energy usage and CO_2 emissions. Scope 2 emissions are calculated using data from our offices across the world, reflecting how we heat and cool our offices along with the electricity we use. Data centre energy consumption is part of the Microsoft Azure hosting service, which is carbon neutral. Scope 3 emissions are predominantly from travel, hotel stays and outsourced support and activities by key suppliers.

GRI 302 – Energy consumption (audited)

2024						
Scope		Emissions (tCO_2e)	Energy Consumption (kWh)	% of Total	Tonnes CO_2/FTE	kWh/FTE
Scope 2	Indirect emissions from purchased electricity and gas in our offices	21	107,234	3%	0.1	589
Scope 3	Other indirect emissions, primarily travel and hotel stays	617	2,992,050	97%	3.4	16,431
Total		**638**	**3,099,285**	**100%**	**3.5**	**17,020**

2023						
Scope		Emissions (tCO_2e)	Energy Consumption (kWh)	% of Total	Tonnes CO_2/FTE	kWh/FTE
Scope 2	Indirect emissions from purchased electricity and gas in our offices	22	116,078	5%	0.1	649
Scope 3	Other indirect emissions, primarily travel and hotel stays	450	2,401,538	95%	2.5	13,423
Total		**471**	**2,517,616**	**100%**	**2.6**	**14,071**

Calculated based on electricity consumption where available, converted to CO_2 or cost incurred and converted to kWh at a rate in accordance with Government guidance. Hosting facilities are provided on the Microsoft Azure platform which is a 100% carbon neutral platform, so no CO_2 consumption has therefore been included.

CO_2 emissions for Scope 2 have decreased slightly, with the company reducing its office space footprint in both the Dallas and Adelaide based office. The Adelaide based office was closed in August 2023, with a small increase in space in the Melbourne office. In April 2024 the company opened a Toronto office space to support its continued expansion in the region.

Scope 3 emissions have continued to increase each year as a result of greater travel by the business.

The Group has evaluated all other areas covered by GRI 300 and concluded that the standards were either not applicable or the impact on the business was not material.

Environmental, Social and Governance Report continued

Social (communities and people)

The success of our business is founded in our people and our culture – the way we think, behave and act towards each other. Our culture is underpinned by our values: 'global', 'expert', 'authentic' and 'collaborative', which support our purpose, to make operations the strength of what we do and reflect what the company stands for.

Our products professionalise and develop valuable and transferable skills and use of our products enhances the working environment for our customers, reducing stress and improving wellbeing. Hybrid working patterns have heightened the need for effective support in managing work, which is provided by the solutions we deliver to our customers.

We are committed to giving back through engaging in charitable and volunteer efforts within our local communities to enable individuals to flourish through learning. As an example, in South Africa, two learnership placements were provided to individuals under the National Framework Qualification programme. We support our people to contribute one day per year to educational volunteer programmes by sharing their knowledge, experience and enthusiasm.

The Group is committed to diversity and inclusion ('D&I') across gender, sexual orientation, marital status, race, colour, nationality, ethnic or national origin, education, religion, age, or disability. It underpins the results we achieve, our relevance across regions and cultures and drives innovation and long-term sustainability. The ActiveOps 'Change Crowd' provides a forum for representatives from all areas of the business to have input to proposed changes within the business and updates to policies and practices which affect our customers and people.

The Group will continue to look at ways of further supporting our team members and to increase the diversity of the business, with several areas being developed in the upcoming year.

Within the GRI framework, ActiveOps has identified the relevant standards that will help drive the people agenda for the Group. These standards will further promote the diversity that we enjoy across the employee base. The following data forms the basis of the GRI reporting in this area:

GRI 401 & 405 – Employment, diversity and equal opportunities

Gender	Women		Men	
	2023	2024	2023	2024
Existing workforce	35%	36%	65%	64%
New hires	38%	39%	62%	61%
Leavers	45%	36%	55%	64%
Governance board	27%	36%	73%	64%
Managers	26%	32%	74%	68%
Employees	35%	37%	65%	63%

Age	Less than 30 years old		30-50 years old		Over 50 years old	
	2023	2024	2023	2024	2023	2024
Existing workforce	11%	11%	68%	69%	21%	20%
New hires	21%	18%	68%	64%	12%	18%
Leavers	21%	9%	57%	68%	23%	23%
Governance board	0%	0%	47%	57%	53%	43%
Managers	3%	2%	74%	75%	23%	23%
Employees	11%	17%	68%	67%	21%	16%

GRI 401 – Employment

ActiveOps is committed to treating its employees equally and has the same benefits available to both full time and part time employees. ActiveOps seeks to ensure that a competitive wage and benefits package appropriate to each jurisdiction is available to all employees with a range of benefits and initiatives in place to support each person.

During the year ActiveOps reviewed its Ways of Working policy to ensure it remains relevant to the business.

GRI 404 – Training and education (additional standard included)

Developing our people is important to the success of the Group with training offered to support this. ActiveOps continues to require employees to complete mandatory training in topics such as information security, data protection and anti-bribery/corruption to ensure the highest standards are maintained across the business. ActiveOps allocates a specific budget for training each year, from which employees may request funding for training and development activities. In addition, we provide access to extensive online learning resources for all employees via the LinkedIn learning platform and encourage that everyone regularly dedicates time to personal development activities.

GRI 405 – Diversity and equal opportunities

ActiveOps has a global diversity and inclusion charter and an equal opportunities policy which states that we treat all employees and applicants fairly regardless of gender, sexual orientation, marital status, race, colour, nationality, ethnic or national origin, age or disability. We are committed to having a diverse and inclusive environment which has been central to our success and growth, whilst ensuring our relevance across regions and cultures.

GRI 406 – Non discrimination

ActiveOps has policies in place that cover the grievance procedure, whistleblowing, anti-harassment and bullying and equal opportunities.

Any incidents of discrimination, harassment or bullying that are reported are fully investigated by the Company.

Governance

A strong corporate governance foundation is important, and the group has adopted the Quoted Companies Alliance ('QCA') code which is constructed around ten broad governance principles. Further detail on how we comply with each principle can be found in our Corporate Governance statement on page 44.

We carefully consider the Chartered Management Institute Code of Conduct and aim to adopt the highest standards of ethics and conduct and align these with our values, specifically:

- Behaving in an open, honest and trustworthy manner.
- Acting in the best interests of our organisation, customers and/or partners
- Continually developing and maintaining professional knowledge and competence.
- Creating a positive impact on society
- Respecting the people with whom we work

In addition to this alignment we have reviewed the Global Reporting Initiative standards within GRI 205 and GRI 207 and have policies and procedures in the following areas:

- Anti-Bribery & corruption – completed full risk assessment and formal training to be completed across the group in year-end 2024
- Company Code of conduct aligned to the Chartered Management Institute Code of Conduct and Practice
- Whistleblowing policy
- The Group's approach to tax and an anti-evasion tax policy
- Vendor management policy

Principal Risks and Uncertainties

The Group faces various risks and uncertainties that have the potential to impact the Group financially, operationally, strategically and reputationally. While it is not possible to identify or anticipate every risk, the principal risks and uncertainties faced by the Group and the steps in place to mitigate these risks are described below. The Board has overall responsibility for risk management and internal controls and is fully supported by the Audit Committee.

RISK		MITIGATION
Growth strategies and management	As detailed on pages 20 to 21, the Group intends to carry out certain growth and expansion strategies. The Group's growth and future success will be dependent to some extent on the successful completion of such growth and expansion strategies currently or proposed to be undertaken by the Group and the sufficiency of demand for the Group's products. The Group's growth strategy is partly reliant on expanding its user base with its customer as a result of successful early deployments and strong customer relationships. Any failure of the Group's solutions to deliver value in this crucial expansion phase would significantly impede growth.	The Company's growth and expansion strategies are largely structured around 'known variables' – growing in established markets and targeting sectors in which we have strong credibility, on the back of tried and tested assumptions around price and penetration. In addition, there is clear communication of strategy and alignment throughout the organisation, with the Executive Management Board responsible for delivering against defined strategic initiatives. The Group's growth and expansion strategy is carefully budgeted and resourced for, with clear metrics for success.
Significance of key account relationships	The Group has certain key customers who may seek lower prices or may reduce their demand for a product or services of the Group. The relationship of the Group with its key customers could be materially adversely affected by a number of factors, including: a decision by a key customer to diversify or change how, or from whom, they source a product or services currently provided by the Group; an inability to agree on mutually acceptable pricing terms with any one of its key customers; or a significant dispute with or between the Group and one of its key customers. If the Group's commercial relationship with a number of its key customers terminates for any reason, or if a number of its key customers significantly reduces its business with the Group and the Group is unable to enter into similar relationships with other customers on a timely basis, or at all, the Group's business, its results of operations and/or its financial condition could be materially adversely affected.	Customer success is an integral part of the Group's focus, with regular reviews of customer performance against benchmark data to ensure customers are getting maximum value from our products and services and aligning with customer's strategic imperatives in order to secure account retention. Senior Leader Councils exist in each of our regions and meet twice per year. Members of the councils are drawn from the leadership team within our customers and contribute their thinking to our product development roadmap, ensuring that our products meet emerging business needs. A comprehensive set of Customer Success metrics, including customer health and usage, are prepared each month and reviewed by the Group's Operations Board.

RISK		MITIGATION
Technology change and competition in a rapidly evolving market	In today's rapidly evolving market, the Group expects that new technology will continue to emerge and develop. Although the Directors believe that significant barriers to entry exist in the markets in which the Group operates, including the deep domain knowledge necessary in order to be able to design and specify its technology, the risk exists that new technology may be superior to, or render obsolete or unmarketable, the products that the Group currently offers. In order to limit the impact of technological changes and remain competitive, the Group must continually update its products. The Company's success will depend, in part, on its ability to develop and adapt to these technological changes and industry trends.	Technological change broadly takes two forms: (i) advances in our competitors' technology offerings and functions which could render our products uncompetitive; and (ii) advances in the underlying technology frameworks, models, security frameworks and architectures used to deliver and host SaaS software, which pose a risk that our products are not accepted by the IT influencers within our customers. In mitigation of the first risk, our expertise in the market and relationships with analysts and customers mean that we have a roadmap of feature development that allows the Group to remain at the forefront of the market. Furthermore, our product function devotes significant effort to analysing market trends and staying ahead of them, while substantial investment in the development team means we are well placed to deliver on our targets. To address the second risk area, we ringfence capacity away from feature development into a technical architecture 'lane', with activity directed by the development management team. This pool of developers is dedicated to ensuring that we remain current in the tools, frameworks and technologies in use, that announcements in the security community are acted upon quickly. As a result, our underlying platform offers the stability, speed and resilience needed to underpin the functional development we offer.
Undetected defects in the products provided by the Group	The Group's business involves providing customers with a reliable product. If a product contains undetected defects when first introduced or when upgraded or enhanced, the Group may fail to meet its customers' performance requirements or otherwise satisfy contract specifications. As a result, it may lose customers and/or become liable to its customers for damages and this may, amongst other things, damage the Group's reputation and financial condition. The Group endeavours to negotiate limitations on its liability in its customer contracts where possible, however, defects in a product could result in the loss of a customer, a reduction in business from any particular customer, negative publicity, reduced prospects and/or a distraction to its management team. A successful claim by a customer to recover such losses could have a material adverse effect on the Group's reputation, business, prospects, results of operation and financial condition.	The Group utilises a variety of tools and techniques to detect any defects early and remediate them prior to release. Independent, continuous, third-party security and penetration testing is performed 24/7 against both released versions and current development branches. Static code analysis (SCA) tools are utilised within the build pipeline to ensure scanning takes place. Unit test coverage is monitored by those SCA tools and coverage requirements enforced. A combination of manual scripted, automated and exploratory testing provides regression testing and release testing, while staff-only builds provide the opportunity for Group staff employed outside of Technology to interact with versions prior to release. Release cadences vary by product but are designed in all cases to provide the opportunity to release patches and fixes rapidly where a defect or vulnerability comes to light after release. Third party library and components are monitored for vulnerability releases and upgraded out of band if necessary.

Principal Risks and Uncertainties continued

RISK		MITIGATION
Reliance on key personnel and management	Attracting and retaining experienced sales and technical personnel is a critical component of the future success of the Group's business as is the continued training and monitoring of such individuals. The Group is somewhat dependent upon key senior management personnel who have extensive experience and knowledge of the Group, its products, its customers, its target markets and its business generally. The successful implementation of the Group's strategy depends on the continuing availability of senior management and the Group's ability to continue to attract, motivate and retain other highly qualified employees. If members of the Group's senior management depart and adequate succession plans are not put in place, the Group may not be able to find effective replacements in a timely manner and the Group's business may be disrupted or damaged.	The Group's performance management framework is designed with an emphasis on development and supporting role and career progression, which is monitored and developed to meet the ambitions of the business and support effective succession planning. In addition, the Group has a broad management structure, with strong second line leadership and very few single dependencies. The business utilises a number of tools to retain its senior management, including annual bonuses and long-term incentive plans. The Nomination Committee plays a key oversight role in the Group's talent management and succession planning and supports the continued development of a diverse pipeline for both the board and senior management positions.
Intellectual property	Any intellectual property, whether or not registered owned and/or used by the Group in the course of its business or in respect of which the Group believes it has rights, may be prejudiced and/or open to challenge by third parties (including where such third parties have or claim to have pre-existing rights in such intellectual property). In any such case, the Group may be prevented from using such intellectual property or it may require the Group to become involved in litigation to protect its intellectual property rights, each of which may have a material adverse effect on the Group's reputation, business, prospects, results of operation and financial condition. Conversely, while the Directors believe the Group has taken precautions, they cannot guarantee that any action or inaction by the Group will not inadvertently infringe the intellectual property rights of others. Any infringement by the Group of the intellectual property rights of others could have a material adverse effect on the Group's reputation, business, prospects, results of operation and financial condition. Despite precautions which may be taken by the Group to protect its intellectual property, unauthorised parties may attempt to copy, or obtain and use, its intellectual property and the technology incorporated in them. This could cause the Group to have to incur significant unbudgeted costs in defending its intellectual property and technology.	The Group has sought to protect its intellectual property by the registration of trademarks, entering into non-disclosure agreements with employees, independent contractors and third parties in the ordinary course of its business, implementing and maintaining internal and external controls and processes restricting access to the intellectual property.

RISK		MITIGATION
Risk from cyber-attacks	The Group relies on information technology systems to conduct its operations. Because of this, the Group and its systems are at risk from cyber-attacks. Cyber-attacks can result from deliberate attacks or unintentional events and may include (but are not limited to) third parties gaining unauthorised access to the Group's systems for the purpose of misappropriating financial assets, intellectual property or confidential sensitive information, corrupting data, or causing operational disruption. If the Group suffers from a cyber-attack, whether by a third party or insider, resulting in a breach of confidentiality or a data security breach it may incur significant costs and suffer other negative consequences, such as remediation costs (including liability for stolen assets or information), repairing any damage caused to the Group's network infrastructure and systems and/or fines from the Information Commissioner's Office or third party claims. The Group may also suffer reputational damage and loss of customer or investor confidence.	The Group employs security testing measures for the software it deploys and on internal systems. The core platform that the Group relies upon operates with a high number of security protocols, including tracking and recording of all security breaches, testing against trending risks, and suggested IT defensive measures. The IT Group manages strict security protocols and policies to mitigate against any potential security breaches, including obtaining and maintaining external IT and security certifications, to validate the Group's IT environment and controls (the Group is both ISO27001 and SOC 2 compliant and certified). Lastly, the Group deploys an in-house employee training portal and increased communication with employees to provide updates on IT risks and threats and best practice over data security. The nature of the Group's customers is such that these measures are assessed by their own experts at both sale and renewal time, providing regular and detailed external validation that the steps taken by the Group are appropriate and sufficient.

Section 172 Statement

It is the Board's responsibility to ensure that ActiveOps is managed in the long-term interests of all shareholders and stakeholders in the business. To this end, the Board considers the needs and concerns of all stakeholders in its duties to the Company, as set out in more detail below.

By seeking to understand the differing stakeholder interests and impacts through a proactive programme of engagement, the Directors ensure that decision-making is informed and that the development and implementation of our strategy leads to long-term, sustainable success for the Company as a whole.

As required by section 172 of the UK Companies Act 2006, the Directors have acted to promote the success of the Company for the benefit of its stakeholders. In meeting this responsibility during the period, the Directors have had regard, amongst other matters, to:

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

Key decisions made during the period include:

- Launch of Decision Intelligence – repositioned the Company to align with a rapidly growing and strategic market focus on AI-driven decision making
- Creation of an internal communications and employee engagement function, in order to foster an inclusive and collaborative workplace, while ensuring that the Company has an effective framework for communicating with our people across the globe
- Commission of a strategic pricing project with Simon Kucher and Partners, which resulted in a change to existing pricing to increase the share of value obtained by ActiveOps
- Introduction of a new tiered licensing model for ControliQ, introducing a series of offerings to enable customers to select the level of capabilities that suit their needs, moving through the Series as their ambitions and requirements increase
- Release of ControliQ Series 3, enabling customers to use AI to plan more accurately, improve the service they provide to their clients and drive the engagement of their teams
- Restructure of and investment in the APAC team, led by the appointment of Anna Itsiopoulos as Regional Managing Director, in order to drive opportunity and growth in the region – one of the Company's key markets

The following paragraphs summarise how the Directors fulfil their duties.

Shareholders

The Company looks to develop a broad investor base with those who share our values and are supportive of our strategy. In achieving this objective, the Directors recognise that effective engagement with shareholders is key. In addition to engaging through the Company's Annual General Meeting ('AGM') and through stock exchange announcements, the Executive Directors, supported by the Company's NOMAD and investor relations advisors, meet with institutional shareholders and analysts after the announcement of results or as otherwise required. These meetings will involve discussion of the Company's strategy, performance and objectives, and provide a valuable forum for investors to offer feedback. Investors and other stakeholders can also access information about the Company on our website.

Employees

The Company recognises that our employees are our most important resource and that their drive for success is a key contributor to the future growth of the Company. During FY24, the Company created an internal communications and employee engagement function in order to foster an inclusive and collaborative workplace and ensuring that we have an effective framework for communicating with employees. This includes a monthly newsletter from the CEO, drop-in brand sessions, and a new focus on recognition in the Company's all-hands sessions. During the period, the Company also completed an engagement survey, which covered a range of questions and topics. The survey had a high response rate and produced positive results, with clear themes being that our employees feel proud to work at ActiveOps, that their work is meaningful and that the Company has a strong culture of teamwork and respect.

This activity also highlighted several opportunities for improvement which are being addressed within the Group's plans for FY25, for example refreshing the 'Change Crowd' forum, an employee consultative group, and the implementation of a global training and development programme.

Customers

Effective engagement with customers allows the Company to understand customer needs, identify opportunities and challenges, as well as plan our product development and strategy to promote long term value. Relationship Managers undertake a structured programme of meetings with customers to ensure that the value they get from our products and services is maximised. The meetings include a review of customer performance against our benchmark data to identify further opportunities for improvement, and a review of the customer's strategic imperatives for the year. Senior Leader Councils exist in each of our three geographical regions and meet twice per year. Members of the councils are drawn from the leadership teams of our customers and contribute their thinking to our product development roadmap ensuring that our products meet emerging business needs.

A comprehensive set of Customer Success metrics are prepared each month and reviewed by the Group's Operations Board. These metrics include customer health and usage.

During the period, the Company published a series of customer 'MORE stories'. These are video interviews with operations leaders across our customer base, who describe how ActiveOps Decision Intelligence enables them to deliver more value within their organisations. In addition, the Company continues to publish a quarterly OpsTracker report, which analyses our proprietary OpsIndex benchmarking data to identify key trends for leading operations in financial services and business outsourcers.

We were delighted to launch Decision Intelligence at the Company's annual customer conference – Capacity 23 – in London, Nashville and Melbourne, with the focus on showcasing the AI-driven product strategy to better support digital and business transformation initiatives. The conferences enjoyed record attendance and featured an impressive line-up of customers, partners and industry experts.

Partners

Our partner strategy enables us to engage and partner with several relevant businesses, where we are able to extend our sales and marketing reach with a goal of attracting new business and customers.

Our partner relationships are increasingly important to the success of the Company. Our partners are an important route to market but also have a key role in maintaining some of our customer relationships. Our sales and relationship management teams work closely with our partners to integrate our solutions into their wider offerings and to equip them with the resources and knowledge of our products to ensure their customers achieve the same value as a customer working directly with ActiveOps.

Communities and the environment

As a business, we are passionate about our purpose, to make operations the strength of what you do. We are proud that strong operations have not only a transformative impact on organisational success but also a positive impact on the working lives of employees. We recognise that our company's existence is part of a bigger system of people, values, other organisations and of the environment. We are committed to giving back through engaging in charitable and volunteer efforts within our local communities that enable individuals to flourish through learning. We do this by hosting fundraising activities which bring employees together in a united effort to help others in need. The Company actively encourages our people to contribute one day per year to educational volunteer programmes by sharing their knowledge, experience and enthusiasm to help disadvantaged people learn, supporting them in achieving their ambitions.

The GRI framework is an important tool in helping the Company to ensure it maintains high standards of business conduct across its operations. More information about our ESG focus during the year can be found on page 30.

The Strategic Report was approved by the Board on 2 July 2024.

Emma Salthouse

Emma Salthouse
Director

Board of Directors

LEADING WITH INSIGHT

Sean Finnan
Non-Executive Chair

Appointed: 2019

Sean has over 30 years' experience driving change within international organisations. He joined the Board as a Non-Executive Director in 2014 before becoming the independent Non-Executive Chair in 2019. Sean previously held a range of senior international leadership roles in the services divisions of IBM, HP and EDS, with P&L responsibility for businesses with multi-billion revenues. He was also President of TechUK (formerly Intellect). He holds an MBA and an MSc in Organisational Behaviour.

A N R

Richard Jeffery
Chief Executive Officer

Appointed: 2005

Richard has over 25 years' experience in enterprise software and specialist management consultancy. He co-founded the Group in 2005 alongside Neil Bentley having spent the previous ten years productising and implementing the AOM methodology.

Key to Committees

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- Chair of Committee

Emma Salthouse
Chief Financial Officer

Appointed: December 2023

Emma is an experienced finance professional. Emma rejoined ActiveOps in 2023, having previously been the Head of Finance at ActiveOps for c. five years, before joining a UK market leader in forensic science as Group CFO. Emma is a member of the Chartered Institute of Management Accountants with over 15 years' experience.

Prior to Emma's appointment, Ken Smith served as interim CFO from May to December 2023, and Paddy Deller served as CFO from 2015 to May 2023.

Michael McLaren
Non-Executive Director

Appointed: 2021

Mike is currently the full time Chief Financial Officer of FDM Group (Holdings) plc, a FTSE 250 listed IT services business. Mike joined FDM in 2011 when it was under private equity ownership prior to listing in late 2014. Mike has been an Executive Director, independent Non-Executive Chair and Non-Executive Director on the Boards of a number of other companies. Mike is a Fellow of the Institute of Chartered Accountants in England and Wales.

A N R

Hilary Wright
Non-Executive Director

Appointed: 2021

Hilary is currently a Non-Executive Director of Midwich Group plc, a specialist audio visual distributor to the trade market, and a Director of Plan4Purpose Ltd, a bespoke coaching company. She joined the Board in March 2021 and was previously the Group Human Resources Director of Domino Printing Sciences plc who she joined in 2016. Her background was formed in retailing, more latterly with Cambridge-based engineering and technology companies, which is where she gained her global experience and was involved in several acquisitions. She has held both strategic and operational roles and devised and led the HR direction for significant global growth; ensuring people development, succession planning and talent acquisition are aligned for transformational change. Hilary is a fellow of the Chartered Institute of Personnel and Development.

A N R

The Senior Management Team

OUR TEAM

Kuljit Bawa

Managing Director: Europe, Middle East, Africa and India (EMEIA)

Location: UK

Areas of responsibility: EMEIA region sales, EMEIA region P&L

Boards

E O

Rebecca Hughes

General Counsel and Company Secretary

Location: UK

Areas of responsibility: Group legal and risk PLC company secretary

Boards

E O

Paula Brown

Head of Operations EMEIA and Group Operations Risk

Location: South Africa

Areas of responsibility: EMEIA region delivery and customer success, Group operational risk management

Boards

O

Alex Ginger

Head of Strategy and Corporate Development

Location: UK

Areas of responsibility: Corporate development, HR and Group operations

Boards

E O

Spencer O'Leary

Managing Director: North America

Location: USA

Areas of responsibility: NA region sales, NA region P&L

Boards

E O

Stuart Pugh

Chief Product Officer

Location: UK

Areas of responsibility: Product management & development, SaaS operations

Boards

E O

Key to Boards

E Executive Board

O Operations Board

Joy Santosh

Head of Operations: North America

Location: USA

Areas of responsibility: NA region customer success, NA region implementation delivery

Boards

O

Anna Wilson

EVP Technology Operations

Location: USA

Areas of responsibility: SaaS support services, SaaS infrastructure delivery

Boards

O

Anna Itsiopoulos

Managing Director: Asia Pacific, appointed January 2024

Location: Australia

Areas of responsibility: APAC region sales, APAC region P&L

Boards

E O

Bhavesh Vaghela

Chief Marketing Officer

Location: UK

Areas of responsibility: Marketing strategy and operations

Boards

E O

Richard Winstock

EVP Software Development

Location: UK

Areas of responsibility: Software engineering, Quality assurance

Boards

O

Matthew Hill

Head of Finance from March 2024

Location: UK

Areas of responsibility: Financial Accounting Commercial finance

Boards

O

Corporate Governance Statement
Chair's introduction

Dear Shareholder,

I am pleased to report on the corporate governance undertaken by the Group during the period under review.

The Board is committed to maintaining high standards of corporate governance and considers that a strong corporate governance foundation is essential in delivering shareholder value. The Company has adopted the Quoted Companies Alliance Corporate Governance Code 2018 (the 'QCA Code'), the corporate governance code tailored for small and mid-size quoted companies and considers this to be appropriate given the nature of ActiveOps' activities and the size of the Company. For FY25, the Company will be reporting in accordance with the updated 2023 QCA Code.

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

Set out over the following pages is an explanation of how the Company currently complies with the principles of the QCA Code and, to the extent applicable, those areas where the Company's corporate governance structures and practices differ from the expectations set out in the QCA Code.

Sean Finnan
Chair

Principle 1: Establish a strategy and business model which promotes long-term value for shareholders

The Board leads the development of the Group's strategy, whilst ensuring the values remain aligned with this principle.

The Board meets regularly to review:

- Operational and business performance.
- Sales, customer success, marketing and product development progress.
- Strategic considerations.
- The progress of previously agreed actions.

The Group has a clear and proven growth strategy to penetrate its large addressable market in the key sectors of banking, insurance and Business Process Outsourcing (BPO) as outlined in more details on pages 20 to 21.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Company is committed to open, two-way communication with its shareholders so there is a clear understanding of its strategy, business model and performance.

The Chief Executive Officer and Chief Financial Officer have regular dialogue with shareholders and analysts to discuss progress against strategy, including the Group's financial results. They meet with its major shareholders in the days following the release of the Company's interim and annual results, to discuss the results statement and to understand the needs and expectations of these shareholders.

Whilst being mindful of the requirements of the AIM Rules and Market Abuse Regulation, the Board may engage with shareholders directly from time to time in relation to matters those shareholders wish to discuss.

The Company seeks to engage with its shareholders through updates to the market via the appropriate regulatory news channels on matters of a material substance and/or regulatory nature. In conjunction with the Company's brokers and other financial and public relations advisers, all relevant news is distributed in a timely fashion through appropriate channels to ensure shareholders are able to access material information on the Company's progress. The Company's website has a section for investors, which contains all publicly available financial information and news on the Company.

The Board recognises the AGM as an important opportunity to engage with shareholders who are given notice of the AGM at least 21 days prior to the meeting. The Chair, together with all other Directors attending the AGM, will be available to answer questions raised by shareholders.

Where feedback is provided, including voting decisions against any of the Company's proposed resolutions, the Board will engage with those shareholders to hear and address any issues.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long term success

The Company is aware of its corporate social responsibilities and the need to maintain effective working relationships across a range of stakeholder groups. These include the Company's investors, employees, customers, partners, suppliers and regulatory authorities. The Company's operations and working methodologies take account of the requirement to balance the needs of all these stakeholder groups while maintaining focus on the Board's primary responsibility to promote the success of the Company for the benefit of its shareholders as a whole. The Company dedicates significant time to obtaining feedback on the needs and requirements of these groups which is then, where appropriate, considered by the Board and acted upon.

The Company is committed to attracting and retaining the highest quality of talent and to promoting diversity and equal opportunities. The Company seeks to achieve this through the application of high standards in recruitment and development and providing a strong supportive culture of continuous improvement and innovation. All employees have objectives and have regular dialogue with their managers in relation to personal objectives, team objectives and alignment with the Company's values. Employees are also encouraged to develop their skills and budget is provided for employee training and development. The senior management team engages in regular business update briefings with employees and conducts an annual employee engagement survey. A committee representing employees from across the Group's operations supports the senior management team in designing and implementing change effectively.

The Company seeks to be honest and fair in all relationships with customers, partners and suppliers and encourages feedback from all parties. The Company pays particular attention to its customer relationships and has established a customer success function which is charged with ensuring customers maximise the value of their investment. As a result, the Company is typically regarded as a trusted partner by customers.

The Company takes due account of any impact that its activities may have on the environment and seeks to minimise this impact wherever possible. Through the various procedures and systems it operates, the Company ensures full compliance with health and safety and environmental legislation relevant to its activities. The Company uses the GRI framework, and is focused on developing and implementing a robust ESG agenda supported by appropriate reporting, along with ongoing development of procedures and policies supporting the Group's ESG goals.

Corporate Governance Statement continued

Further detail of how the Company engages with key stakeholders is set out in the Section 172 Statement on page 38.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board is ultimately responsible for the Company's systems of risk management and internal control and for reviewing the effectiveness of those systems in light of any risks identified. The systems are reviewed for effectiveness by the Audit Committee and the Board.

The Company's systems of risk management and internal control are designed to help the Company meet its business objectives by appropriately managing the risks relating to those objectives. The controls can only provide reasonable, not absolute, assurance against material misstatement or loss.

The Board is aware of the need to conduct regular risk assessments to identify any deficiencies in the controls currently operating over all aspects of the Company. To that end the Board maintains a risk register for all activities of the Company. The risk register details the potential risk likelihood and impact, mitigating factors, action owner and appropriate controls and mitigation strategies. Management meets regularly to consider new risks and opportunities presented to the Company, making recommendations to the Executive Management Board, Board and/or the Audit Committee as appropriate.

A summary of the principal risks relating to the Group are detailed in the Principal Risks and Uncertainties section on page 34.

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

The Company maintains appropriate insurance cover. The insured values and type of cover are comprehensively reviewed by the Board on a periodic basis, after detailed specialist advice from the Company's insurance brokers.

Principle 5: Maintain the Board as a well-functioning, balanced team led by the chair

The Board takes responsibility for developing long term strategies and providing leadership to the Group as a whole, ensuring obligations to shareholders are met. Through the leadership of the Chair the Board ensures a framework of controls exist which allows for the identification, assessment and management of internal controls and risk, ultimately taking collective responsibility for the success of the Company.

The Board comprises the independent Non-Executive Chair, the Chief Executive Officer, the Chief Financial Officer and two independent Non-Executive Directors. The Board is highly committed and experienced and is supported by a qualified senior management team. Non-Executive Directors are required to work a minimum of three days per month for the Company. Executive Directors work for the Company on a full time basis.

The Chair of the Board has overall responsibility for the corporate governance arrangements of the Company, the provision of effective leadership to the Board, ensuring effective implementation of the Board's decisions. The Executive Directors are directly responsible for the running the business operations of the Group. The Non-Executive Directors are responsible for bringing independent judgement and scrutiny to decisions taken by the Board. The Board has not designated one of the Non-Executive Directors as the Senior Independent Director, as that role is not deemed appropriate at this stage of the Company's development, however, the Board will keep this under review. There is a documented schedule of matters reserved for the Board. The Board is supported by the Audit Committee, the Nomination Committee and the Remuneration Committee, as detailed below under Principle 9.

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

Each member of the Board brings different skills and experience to the Board and the Board Committees. The Board is satisfied that there is sufficient diversity in the Board structure to bring a balance of skills, experience, independence and knowledge to the Company.

The Board is supported by the Nomination Committee, which is responsible for reviewing the balance of skills and experience of the Directors needed on the Board in the course of its work, as set out in the Nomination Committee Report on page 50. Details of the experience and skills of each of the Directors are given on page 40.

The Board receives at its meetings detailed reports from senior management on the performance of the Group and other information as necessary. Regular updates are provided on relevant legal and regulatory, corporate governance and financial reporting developments.

All Directors have access to the advice and services of the Company Secretary and the Board also obtains advice from professional advisers as and when required.

Specific training will be provided to the Board by the Company when required to support the Directors' existing skillsets.

Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The effectiveness of the Board, individual Directors and senior management is evaluated on an ongoing basis as part of the Board's ongoing review of the business. In addition, the Board undertook an internally facilitated questionnaire based Board evaluation during the financial year. Further detail is set out in the Nomination Committee Report on page 50.

The Chair has overall responsibility for ensuring that the Board discharges its responsibilities and is also responsible for facilitating full and constructive contributions from each member of the Board in determination of the Company's strategy and overall commercial objectives. This process feeds into the ongoing evaluation of Board performance.

The Chair has been tasked with assessing the individual contributions of each of the members of the team to ensure that:
- their contribution is relevant and effective;
- they are committed; and
- where relevant, can continue to be considered independent.

The Board has established a senior management team with strength in depth in each of its core functions of Sales, Customer Success, Finance, Legal, HR, Technology, Product and R&D which it will draw on, together with appropriate external appointments, with regards to succession.

Board and Committee attendance

		Board meetings		Audit Committee		Nominations Committee		Remuneration Committee	
Director	Position	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended
Sean Finnan	Non-Executive Chair	9	9	3	3	4	4	2	2
Richard Jeffery	Chief Executive Officer	9	9	–	–	–	–	–	–
Ken Smith	Chief Financial Officer	7	7	–	–	–	–	–	–
Emma Salthouse	Chief Financial Officer	3	3	–	–	–	–	–	–
Hilary Wright	Non-Executive Director	9	9	3	3	4	4	2	2
Michael McLaren	Non-Executive Director	9	9	3	3	4	4	2	2

* Non-Executive Chair and Non-Executive Directors are expected to spend a minimum of three days a month on work for the Company.

Corporate Governance Statement continued

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Board places great emphasis on promoting a corporate culture that reflects the Company's ethical principles and values, and is consistent with the Company's objectives, strategy and business model.

As the Company works with an international team, considerable importance is placed on a culture of inclusivity and sensitive communication, thereby ensuring that individual cultural values are respected.

The Company encourages innovation, has flat management structures and encourages a culture of continuous improvement. This helps to ensure that communication and understanding flows well within the Company.

The Board has implemented formal HR policies and procedures that set out details and guidelines on the culture of the Company and how this should be reflected in employees' individual conduct. An anti-bribery statement is on the Company's Intranet and the Company ensures that all employees are aware of the anti-bribery policy which sets out the expectations of the Company so far as acceptable business conduct is concerned and in particular that giving or accepting bribes is not acceptable. These policies, along with all other main compliance policies, are provided to employees upon joining the business and recirculated annually. Training is also provided at the induction course and at regular intervals thereafter to ensure that all employees within the business are aware of their importance.

All Company policies are also available to the employees through the Company's HR system and intranet. The Board has regular interaction with Group company employees and monitors and promotes a healthy corporate culture in this way. Additionally, it ensures sound ethical practices and behaviours are deployed at Board meetings.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision making by the Board

The Board is responsible for the overall leadership of the Group, including the approval of the Group's long-term objectives and strategy, the approval of budgets, the oversight of Group operations, the maintenance of sound internal control and risk management systems and the implementation of the Group's strategy, policies and plans. Whilst the Board may delegate specific responsibilities, there is a formal schedule of matters specifically reserved for decision by the Board. Such reserved matters include, amongst other things, approval of the Group's strategic aims and objectives, approval of significant capital expenditure, approval of the annual operating budget and major corporate transactions.

The Board currently comprises five Directors, of whom two are Executive and three are Non-Executive. The Board considers the three Non-Executive Directors, being Sean Finnan, Mike McLaren and Hilary Wright, to be independent for the purposes of the QCA Code. The Board is supported by the Audit Committee, the Remuneration Committee and the Nomination Committee with formally delegated duties and responsibilities, as described below.

Audit Committee

The Audit Committee is responsible for monitoring the integrity of the Company's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Company's internal control and risk management systems and overseeing the relationship with the external auditors, including advising on their appointment, agreeing the scope of the audit and reviewing the audit findings. The Audit Committee Report is set out on page 53.

Remuneration Committee

The Remuneration Committee is responsible for determining and agreeing with the Board the framework for the remuneration of the Executive Directors and other designated senior executives and, within the terms of the agreed framework, determining the total individual remuneration packages of such persons including, where appropriate, bonuses, incentive payments and share options or other share awards. The remuneration of Non-Executive Directors is a matter for the Chair and the executive members of the Board. No Director will be involved in any decision as to his or her own remuneration. The Remuneration Committee Report is set out on page 56.

Nomination Committee

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, preparing a description of the role and capabilities required by a particular appointment and identifying and nominating candidates to fill Board positions as and when they arise. The Nomination Committee Report is set out on page 50.

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

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

The Company's website is regularly updated with announcements or details of investor presentations and events as well as the Company's financial reports. Trading updates and press releases are issued as appropriate and the Company's brokers provide the Board with briefings on shareholder opinion and compile independent feedback from investor meetings for review by the Board.

The Annual General Meeting is used by the Directors to communicate with both institutional and private investors. Every shareholder will have access to the full annual report at each year end and the interim report at each half year end.

Further detail on stakeholder engagement is set out in the Section 172 Statement on page 38.

Board Committees

NOMINATION COMMITTEE REPORT

with Sean Finnan

As Chair of the Nomination Committee, I am pleased to present the Nomination Committee Report for the financial year ending 31 March 2024.

Committee membership

The Committee comprises Sean Finnan (Chair), Mike McLaren and Hilary Wright who are all independent Non-Executive Directors.

Main responsibilities

The full list of duties of the Nomination Committee are set out in the terms of reference and includes the following areas:

- Oversight of the balance of skills, knowledge, experience and diversity on the Board, to enable it to identify and respond appropriately to current and future opportunities and challenges.
- Assisting in identifying and nominating candidates, the review of the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board.
- Ensuring plans are in place for orderly succession to the Board and senior management positions, including overseeing the development of a diverse pipeline for succession.
- Monitoring the development and execution of diversity and inclusion initiatives and talent development for the wider Group.

Board composition

The Board recognises the importance of a diverse Board and, as such, the Nomination Committee will always take diversity into account when considering new appointments. In all cases, the Nomination Committee will assess candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position.

The Nomination Committee has reviewed the composition of the Board and its committees during the year and has recommended to the Board that, at this stage, the size, structure and skills of the Board are all sufficient for the needs of the business. The Nomination Committee have decided that the appointment of a Senior Independent Director will be appropriate in the coming year.

The ratio of Non-Executives Directors to Executive Directors on the Board is 3:2.

Board evaluation

The Board carried out a Board evaluation during the financial year, which was internally facilitated by the Company Secretary, comprising questions across the 10 principles of the Quoted Companies Alliance's Corporate Governance Code. All members of the Board participated in the Board evaluation and it produced a consistent and positive set of results in terms of both the participants' assessment of the strengths and current state of the Board, and also the priorities for further development.

Some of the core strengths identified in the evaluation include effective dialogue with key shareholders, positive and proactive customer engagement, and responsible and accountable decision making. We will continue to focus on how to maximise our positive net impact on the environment and society going forward.

The Board will consider the merit of an externally facilitated Board evaluation in FY25.

Succession planning

During FY24, the Nomination Committee led the discussions and plans for the appointment of Emma Salthouse as CFO, to replace interim CFO Ken Smith. As part of this process, the Nomination Committee carefully evaluated Emma's skills and experience against the needs of the business today, as well its strategic goal and growth aspirations going forward. In addition, the Nomination Committee considered the positive impact that Emma's appointment would have for the diversity of the Board and satisfied itself that she would be the most suitable candidate for the role. As Emma had been the original succession candidate for Patrick Deller, the Nomination Committee is delighted she chose to return to ActiveOps.

In this period, the Nomination Committee was also heavily involved in supporting the CEO with the identification and hire of a senior executive into the role of Group Managing Director. While the role was not publicly advertised, various inputs were sought to identify a range of candidates (both internal and external) for discussion with the CEO and, subsequently, the Nomination Committee. The Nomination Committee satisfied itself that the selected candidate had the requisite skills and experience to meet the challenges of the role, with the support of the CEO and the Board.

The Nomination Committee continues to monitor the development of the Senior Management Team to ensure that, as far as possible, there is a diverse supply of senior executives and potential future Board members.

Diversity and inclusion

Diversity and inclusion continue to be a priority for the Nomination Committee and the Board. The Board is committed to having a diverse and inclusive leadership team which provides a range of perspectives and insights and the challenge needed to support good decision making. As a global business, ActiveOps recognises the importance of reflecting the diversity of the customers we serve in the composition of our Board and senior management, while celebrating the advantages and opportunities that a diverse organisation affords. We are delighted to report that the diversity of both the Board and the senior management team have improved considerably during the period, and this will remain an area of focus going forward.

Seán Finnan

Sean Finnan
Chair

Board Committees continued
Nomination Committee report continued

Committee activities during FY24

Evaluation and annual assessment

- Oversight, with the Company Secretary, of the Board performance evaluation process and
  a review of the results.
- Reviewed the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.
- Reviewed the time commitments of the Non-Executive Directors.
- Recommended to the Board the re-election of each continuing Director, excepting myself, ahead of their re-election by shareholders at the Company's 2024 AGM, having considered the effectiveness, skills, knowledge, experience and time dedicated to discharging the role and being satisfied that the Directors continue to perform well and remain an important component of the Company's long-term success.
- Reviewed the interaction between the Nomination Committee and other Board committees, including the ESG workstreams.

Board composition and diversity

- Review of the Company's diversity statistics and initiatives, as well as succession plans for the senior management team and Board. The Committee is pleased to report an improvement in the diversity on both the Board and the senior management team during the period.
- Maintain and review a detailed skills matrix for the Board.
- Reviewed the composition of the Board and its committees and whether the Board required additional skills and experience.
- Considered specific steps to be taken in relation to diversity in Board and executive succession planning.
- Reviewed HR data on gender balance and diversity.

Succession planning

- Focus on succession planning arrangements at both Board and executive level, against a specification for the role and capabilities required for the position and the composition of the Board.
- Considered succession plans for CFO.
- Supported the Company in its commission of a leadership behaviour evaluation programme, designed especially for leaders of high-growth businesses, and with a specific focus on the behaviours that drive value creation.

AUDIT COMMITTEE REPORT

with Mike McLaren

As Chair of the Audit Committee, I am pleased to present the unaudited Audit Committee report for the financial year ending 31 March 2024.

Board Committees continued
Audit Committee report continued

The year in review

The Committee continued to fulfil its duties throughout the year, maintaining oversight of the integrity of the Group's financial reporting on behalf of the Board. In discharging its duties, the Committee works to a structured agenda closely linked to the events in the Group's reporting cycle.

I am pleased to report that the Group's risk and financial management structures have operated effectively during the year under review. The continued support, constructive engagement and level of responsiveness of my Committee colleagues and management have enabled the Committee to fulfil its role in providing effective scrutiny and challenge. In this regard, I would like to thank colleagues across the Group who assisted the Committee during the year for their support.

The Group is committed to a culture of openness, honesty and accountability and believes that it is fundamental that any concerns are raised without fear of victimisation. During the year, the Group has put in place 'Integrity Line', which is a confidential and anonymous service allowing employees to report any malpractice, illegalities, wrongdoing or matters of similar concern. This service aligns to the Group's whistleblowing and grievance policies. During the year, no matters were raised.

Following the conclusion of a formal competitive tender process in 2023, the Committee recommended that MacIntyre Hudson LLP (MHA) be appointed as the new external auditor of the Group to take effect from, and including, the financial year ending 31 March 2024. Accordingly, RSM UK Audit LLP conducted their last audit for the 2023 financial year, and I would like to take the opportunity to thank them for their diligence and constructive challenge during their tenure.

At the 2023 Annual General Meeting, shareholders approved the appointment of MHA. On behalf of the Committee, I would like to take the opportunity to formally welcome MHA and look forward to working with them over the coming years.

In the sections that follow, we have sought to provide shareholders and other stakeholders with details of the structure and work that was undertaken by the Committee during the year. This has enabled the Committee to provide assurance to the Board on the effectiveness of the internal controls framework and the integrity of the Group's 2024 Annual Financial Statements.

The Committee

The Committee comprises of Mike McLaren (Chair), Hilary Wright and Sean Finnan who are all independent Non-Executive Directors. The Committee has recent and relevant experience and is authorised by the Board to conduct any activity within its terms of reference.

Main responsibilities

The Committee overseas the ActiveOps financial reporting process on behalf of the Board. Management has primary responsibility for the financial statements and for maintaining effective internal control over financial reporting. The Committee's role is to provide support to the Board in meeting its responsibilities as set out in the QCA Code.

The full list of duties of the Audit Committee is set out in the terms of reference, and includes:

- Monitoring the integrity of the financial statements, including its annual and half-yearly reports, preliminary announcements and any other formal statements relating to its financial performance
- Overseeing the relationship with the external auditor, the external audit process and the nature and scope of the external audit, including the auditor's appointment or reappointment, effectiveness, independence and fees
- Reviewing the effectiveness of the Group's systems for internal financial control, financial reporting and risk management
- Reviewing the application of management's critical accounting policies including significant judgements and critical estimates

Internal control and risk management

The Committee has primary responsibility for the oversight of the Group's internal controls, including the risk management framework. Policies and procedures, including clearly defined levels of delegated authority, are regularly communicated across the Group. Management is responsible for establishing and maintaining adequate internal controls and the Committee has responsibility for monitoring the effectiveness of these controls. It achieves this through reports received from the Group, along with those from the external auditors. Risk registers are maintained and regularly reviewed by management.

The Board, including the Audit Committee, considers the principal risks, the nature and extent of the Group's risk management framework and the risk profile that is acceptable in order to achieve the Group's strategic objectives. The Group's system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and it must be recognised that it can only provide reasonable and not absolute assurance against material misstatement or loss.

During the year, the Committee has not identified, nor been advised of, any failings or weaknesses in the internal control systems or risk management processes that are determined to be significant. It is the Committee's assessment that the processes applied by management to ensure that the internal controls systems are functioning as intended are providing sufficient and objective assurance. As a result, the Committee's view is that there remains no current requirement for an internal audit function.

Financial reporting

The Committee has reviewed with both management and the external auditor the annual financial statements, focusing on: the overall truth and fairness of the results and financial position, including the clarity of disclosures shown in the statements and their compliance with best-practice requirements; the appropriateness of the accounting policies and practices used in arriving at those results; the resolution of significant accounting judgements or of matters raised by the external auditor during the course of the annual statutory audit; and the quality of the Annual Report and Accounts taken as a whole, including disclosures on governance, strategy, risks and remuneration, and whether it gives a fair, balanced and understandable picture of the Group.

Going concern

The Committee reviewed management's paper on going concern. The Committee assessed and challenged the Group's forecasts and cash flow projections, including consideration of various possible outcomes of future performance and forecast capital expenditure and the potential impact of uncertainties together but with the Group's future funding plans. The Committee has also considered a severe but plausible downside in the possible outcomes of future performance. Based on this, and the levels of cash and cash equivalent liquidity maintained by the Group, the Committee is satisfied that the financial statements should be prepared on a going concern basis.

Significant matters considered in relation to the financial statements

During the year ended 31 March 2024, the Committee's prime areas of focus were:

- The integrity, completeness and consistency of financial reporting, including the adequacy, clarity and appropriateness of disclosures. This included reviewing the Annual Report and concluding that it was fair, balanced and understandable
- The areas where significant judgements and estimates are required in the financial statements
- The scope and programme of external audit
- The materiality level used by the external auditor for ActiveOps as a public company
- Confirmation that the going concern basis of accounting should continue to apply in the preparation of the annual financial statements
- Reviewing the processes and systems to identify and mitigate the financial and non-financial risks and to consider the appropriateness of the controls to reduce the risk of fraud and exposure to bribery and corruption
- Reviewing IAS 38 Intangible Assets and the extent to which it applies to ActiveOps' development activities

External auditor

The Committee's primary responsibility is to make a recommendation on the appointment, reappointment and/or removal of the external auditor. The Committee considers a number of areas when reviewing the external auditor appointment, namely the auditor's performance in discharging the audit, the scope of the audit and terms of engagement, auditor independence and objectivity, criteria for auditor reappointment, and auditor remuneration. Each year, the Committee assesses the effectiveness of the audit process and the external auditor.

In carrying out its assessment it considered:

- Feedback from the Chief Financial Officer and her team, who monitor the external auditor's performance, behaviour and effectiveness during the exercise of its duties
- All key external auditor plans and reports, which were discussed and challenged
- The regular engagement with the external auditor during Committee meetings and ad-hoc meetings, including meetings without any member of management being present
- How the auditors support the work of the Committee and how the audit contributes insights and adds value
- The Committee Chair's discussions with the Senior Statutory Auditor ahead of each Committee meeting
- The independence and objectivity of the external auditor

The Committee also reviewed the proposed audit fee and terms of engagement for FY24. Details of the fees paid to the external auditor during the financial year can be found on page 84. The Committee recognises that the independence of the external auditor is an essential part of the audit framework and the assurance that it provides. The external auditor confirms its independence at least annually.

ActiveOps engages a second, independent accounting firm for all tax and consulting work and other non-audit services, to ensure that the independence and objectivity of the auditor are not impaired.

Board Committees continued

REMUNERATION COMMITTEE REPORT

with Hilary Wright

As Chair of the Remuneration Committee, I am pleased to present the Directors' Remuneration Report for the financial year ending 31 March 2024.

Our aim as a Remuneration Committee, through delegated responsibility, is to determine the policy for the Directors remuneration and that of the senior leadership team of ActiveOps in accordance with the QCA Corporate Governance Code (QCA Code) and in the best interests of the business aligned with our strategic goals.

The Committee

The Remuneration Committee was formed on the admission of ActiveOps to AIM in March 2021 and comprises Hilary Wright (Chair), Sean Finnan and Mike McLaren, who are all independent Non-Executive Directors.

Main responsibilities

The full list of duties of the Remuneration Committee are set out in the terms of reference and includes the following areas:

- Determining the policy and individual remuneration for Directors, including setting the remuneration for the Executive Directors, senior management and Company Secretary as well as the fees for the Non-Executive Directors
- Ensuring that remuneration arrangements are monitored and aligned to support the Group strategy and effective risk management as well as encourage and reward the right behaviours, values, and culture of the Group
- Deciding each year on share incentive awards to be awarded and agreeing any performance targets to be used

Directors' remuneration policy

The total remuneration package is structured so that an appropriate proportion of the remuneration is linked to performance conditions measured over both the short and long-term. Consideration is given to the balance of cash and share based elements to discourage unnecessary risk taking while making targets suitably challenging.

We are guided by the following principles:

- Remuneration should be set taking account of the various jurisdictions in which the Group operates, while complying the with UK PLC norms and good practice
- The policy should be designed to attract, retain, and motivate high calibre individuals with a weighting on performance related pay
- Incentive plans should be robust and include metrics and targets directly relevant to ActiveOps and its strategic goals
- Pay should be structured in such a way that it is simple to understand, both to colleagues and externally
- Good practice features such as malus and clawback should be included
- Share ownership should be encouraged across the executive team to ensure a long-term focus and alignment of interest with shareholders
- Pay structures should not reward behaviour that inappropriately increase the Group's exposure to risks beyond the Group's risk appetite

The remuneration policy was introduced in March 2021 and remains relevant to ensure remuneration incentivises and rewards the growth of shareholder value through alignment with the Group's strategy and with the interests of the shareholders. We will continue to review this each year.

Committee activities during 2024

During the financial year 2024 the Remuneration Committee has met twice with full attendance at each meeting and our deliberations included the following:

Directors' bonus payments – The approval of the bonus payments for the financial year ending 31 March 2023. This was based on the targets and expectations set out at the beginning of FY23 with bonus payments made in line with the achievement of the targets set at that time. The details of these payments are set out in the following report. The committee considered, and consulted with shareholders, introducing an additional stretch bonus scheme during the year, but decided that trading conditions were not conducive to warrant the introduction of such a scheme and therefore did not proceed.

Annual salary review of the wider workforce – Ensuring that the Company continues to offer competitive, but not excessive, salaries to enable the recruitment and retention of the employees needed in an environment where there is a growing demand for skills. Given the high inflation environment in all jurisdictions that the Company operates in, the Committee took a pragmatic approach and applied a flat rate percentage across the Group.

The Committee reviewed progress of the business towards its performance targets established for the financial year on an ongoing basis throughout the year.

Performance targets – The discussion and agreement of performance targets for the financial year ending 31 March 2024, including personal objectives for the Executive Directors aligned with the growth strategy. These are reviewed by the Board of Directors.

Share-based schemes – The committee approved share option awards to the senior team under the Performance Share Plan (PSP 2023 and 2024) which provides for a long-term incentive scheme for company performance to FY27. In addition, an application window to the Company Group Share Purchase Plan (GSPP) and the UK only Share Incentive Plan (SIP) that were launched in January 2022, was opened in August 2023 to further encourage employees to participate further in the ownership of ActiveOps.

Board Committees continued
Remuneration Committee report continued

Summary – The Remuneration Committee believes that the arrangements that are in place are in the best interest of the Group and shareholders to deliver success over the long term. The Committee will continue to monitor the appropriateness of the remuneration strategy and will make adjustments with a responsible and transparent approach.

Directors' shareholdings

The interests of the Directors and their connected persons in ActiveOps ordinary shares at 31 March 2024 are as follows:

Name	Shareholding at 31/03/24	Unvested CSOP share options	Vested but unexercised options	Unvested performance Shares	Shares held in the UK Share Incentive Plan
Richard Jeffery	10,232,858	5,405	5,952	313,360	1,312
Paddy Deller	387,000	–	–	–	–
Emma Salthouse	–	541	–	175,000	–
Sean Finnan	78,262	–	–	–	–
Mike McLaren	59,523	–	–	–	–
Hilary Wright	11,904	–	–	–	–

Richard Jeffery's shareholding includes 407,108 shares held by Susan Jeffery.

Annual Report on Remuneration

Directors' service agreements

Executive Directors' service agreements

The Remuneration Committee is responsible for approving the terms of the service contracts for Executive Directors and other senior executives. Directors' service contracts are available for inspection at the Company's registered office. Richard Jeffery and Emma Salthouse have both entered into service agreements with the Company. The service agreement for Richard is terminable on 12 months' notice from either side. The service agreement for Emma is terminable on 6 months' notice from either side. Other than payment of salary and benefits in lieu of notice, the Executive Directors' service agreements do not provide for benefits upon termination of employment.

Non-Executive Director letters of appointment

The current Non-Executive Directors' initial appointments commenced on the following dates:

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

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

Hilary Wright and Mike McLaren have letters of appointment stating that their appointment is for an initial term of three years from the date of the appointment letter. Their letter of Appointment provides for termination of the appointment with three months' notice by either party.

Sean Finnan's letter of appointment states he is not expected to serve more than five years as Chair from the date of admission to the Alternative Investment Market. He must give three months' notice to resign. If he is not reappointed at an AGM, he receives no further compensation.

Directors' remuneration for the year ended 31 March 2024

The total emoluments paid by the Group to each Executive Director of the Company during the year ended 31 March 2024 was as follows:

Executive Director	Salary £	Bonus £	Pension £	BiK £	Total £
Richard Jeffery	216,111	56,070	12,967	1,596	286,744
Paddy Deller[1]	31,933	49,252	1,773	234	83,192
Ken Smith[2]	89,154	20,259	4,827	–	114,240
Emma Salthouse[3]	71,122	283	4,267	–	75,672
	408,320	**125,864**	**23,834**	**1,830**	**559,848**

1 Paddy Deller's remuneration relates to 1st April 2023 – 31st May 2023
2 Ken Smith's remuneration relates to 17th April 2023 – 31st January 2024
3 Emma Salthouse's remuneration relates to 6th November 2023 – 31st March 2024

The total emoluments paid by the Group to each Non-Executive Director of the Company during the year ended 31 March 2024 was as follows:

Non-Executive Director	Fees £	Bonus £	Pension £	Fees £	Total £
Sean Finnan	67,438	258	–	–	67,696
Mike McLaren	46,688	330	–	–	47,018
Hilary Wright	46,688	302	–	–	46,990
	160,814	**890**	**–**	**–**	**161,704**

The total emoluments paid by the Group to each Executive Director of the Company during the year ended 31 March 2023 was as follows:

Executive Director	Salary £	Bonus £	Pension £	BiK £	Total £
Richard Jeffery	206,225	33,980	12,374	1,605	254,184
Paddy Deller	175,460	28,900	10,528	1,662	216,550
	381,685	**62,880**	**22,902**	**3,267**	**470,734**

Annual Report on Remuneration continued

The total emoluments paid by the Group to each Non-Executive Director of the Company during the year ended 31 March 2023 was as follows:

Non-Executive Director	Fees £	Bonus £	Pension £	Share option gains £	Total £
Sean Finnan	65,000	–	–	–	65,000
Mike McLaren	45,000	–	–	–	45,000
Hilary Wright	45,000	–	–	–	45,000
	155,000	**–**	**–**	**–**	**155,000**

Directors' share options

Options over ordinary shares in the Company granted to the Directors which remained outstanding at 31 March 2024 were as follows:

Director	Option type	Option price (2021 & 2022) (£)	Option price 2023 (£)	Balance as at 31 March 2023	Granted in the year	Lapsed in the year	**Balance as at 31 March 2024**
Richard Jeffery	CSOP	1.680	0.925	5,952	5,405	–	**11,357**
	PSP	0.001	0.001	229,239	84,121	–	**313,360**
Paddy Deller	CSOP	1.680	–	2,976	–	(2,976)	**–**
	PSP	0.001	–	245,723	–	(245,723)	**–**
Emma Salthouse	CSOP	1.680	0.990	–	541	–	**541**
	PSP	0.001	0.001	–	175,000	–	**175,000**
Ken Smith	CSOP	–	0.925	–	541	(541)	**–**
	PSP	–	–	–	–	–	**–**

The CSOP and PSP share options granted on the 29 March 2021 vested on 29 March 2024. The 2022 PSP share options were granted on 27 July 2022 and they carry a vesting date of 27 July 2025. The new CSOP and PSP share options were granted on 18 December 2023 with a vesting date of 18 December 2026, and 1 February 2024 with a vesting date of 1 February 2027.

Directors' beneficial interest in shares

Set out below are the beneficial interests of the Directors in the share capital of the Company:

Shares held by each Director	**2024**	2023
Richard Jeffery*	**10,232,858**	10,232,858
Paddy Deller	**387,000**	390,000
Sean Finnan	**78,262**	78,262
Michael McLaren	**59,523**	59,523
Hilary Wright	**11,904**	11,904

* Richard Jeffery's shareholding includes 407,108 (2023: 157,108) shares held by Susan Jeffery.

Directors' Report

The Directors present their report and the audited financial statements for the year ended 31 March 2024. The following information is provided in the Strategic Report and is incorporated into the Directors' Report by way of reference:

- Likely future developments in the business – this is disclosed in the CEO's statement on page 11.
- Research & development activities – this is disclosed in the CFO's report on page 27.

Directors and their interests

The following individuals served as Directors from 1 April 2023 to the date of this report:

- Richard J Jeffery – CEO
- Emma Salthouse – CFO, appointed 1 December 2023
- Ken Smith – CFO, appointed 1 May 2023, resigned 1 December 2023
- Paddy Deller – CFO, resigned 1 May 2023
- Sean Finnan – Non-Executive Chair
- Hilary Wright – Non-Executive Director
- Mike McLaren – Non-Executive Director

Directors' interests and shareholdings are contained within the Remuneration Report on pages 59 to 60.

Dividends

No dividends have been recommended by Directors or paid to shareholders in this or the previous financial year.

Auditors and their independence

In accordance with the Company's articles, a resolution proposing that MHA be reappointed as auditor of the Company and the Group will be proposed at the AGM. The Company has a policy for approval by the Audit Committee of non-audit services by the auditor, to preserve independence.

Disclosure to external auditor

So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' indemnities

The Group maintains appropriate Directors' and Officers' insurance and has done so throughout the financial year. This remains in force as at the date of this report.

Political donations

The Group has a policy of not making political contributions. No political donations have been made during the 2024 financial year (2023: nil).

Employees

The Company operates an equal opportunities policy which includes those who are classed as disabled. Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. Individuals who identify as disabled are given equal opportunities with other employees in relation to training, development and promotion.

Subsidiaries outside the United Kingdom

Details of all subsidiaries can be found in note 14 to the consolidated financial statements. Subsidiaries operate in Ireland, USA, Canada, Australia, South Africa, and India.

Health, safety, the environment and the community

The Group is committed to being of benefit to the communities it serves across the globe. This is explained in our ESG Report on pages 30 to 33.

Share capital

Details of the authorised and issued share capital of the Company and options over shares of the Company are set out in notes 20 and 21 to the financial statements.

Financial instruments

Disclosure of the exposure of the Group to liquidity, foreign exchange, credit and interest rate risk are disclosed in note 22 to the consolidated financial statements.

Directors' Report continued

Going concern

ActiveOps plc maintains a positive net assets position with a significant cash balance of £11.3m and cash investments of £6.3m as at 31 March 2024. The Group also benefits from positive operating cashflows, ensuring that the business remains financially robust, with strong prospects for the future. The Directors recognise that world events do create risks and uncertainties and have considered severe but plausible downside in the possible outcomes of future performance. The Directors have considered appropriate measures to respond to the uncertain outlook and ensure that the Group remains a going concern for a period of at least 12 months. The Directors have reviewed cash flow forecasts for the business covering a period of at least 12 months from the date of approval of these financial statements, and together with the projected revenue and available cash reserves, they are confident that sufficient funding is available to support ongoing trading activity and investment plans for the business. The financial statements have therefore been prepared on a going concern basis.

Events after the reporting period

There are no events after the end of the reporting period which need to be reported.

On behalf of the Board

Emma Salthouse

Emma Salthouse
Director and Group CFO
2 July 2024

Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. The Directors have elected under company law and are required by the AIM Rules of the London Stock Exchange to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards and have elected under company law to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS101 Reduced Disclosure Framework.

The Group financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and performance of the Group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to achieving a fair representation.

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

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- For the Group financial statements, state whether they have been prepared in accordance with International Financial Reporting Standards
- For the Company financial statements, state whether they have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS101 Reduced Disclosure Framework
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the ActiveOps plc website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Emma Salthouse

Emma Salthouse
Director and Group CFO
2 July 2024

Independent Auditor's Report
to the members of ActiveOps plc

For the purpose of this report, the terms 'we' and 'our' denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of ActiveOps plc. For the purposes of the table on pages 65 to 66 that sets out the key audit matters and how our audit addressed these key audit matters, the terms 'we' and 'our' refer to MHA. The Group financial statements, as defined below, consolidate the accounts of ActiveOps plc and its subsidiaries (the 'Group'). The 'Parent Company' is defined as ActiveOps plc, as an individual entity. The relevant legislation governing the Parent Company is the United Kingdom Companies Act 2006 ('Companies Act 2006').

Opinion

We have audited the financial statements of the Parent Company and the Group for the year ended 31 March 2024.

The financial statements that we have audited comprise:
- the Consolidated Statement of Profit or Loss and Other Comprehensive Income;
- the Consolidated Statement of Financial Position;
- the Consolidated Statement of Changes In Equity;
- the Consolidated Statement of Cash Flows;
- Notes 1 to 28 to the consolidated financial statements, including significant accounting policies;
- the Company Statement of Financial Position;
- the Company Statement of Changes in Equity; and
- Notes C1 to C13 to the company financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted International Accounting Standards ('IFRS's). The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' ('UK GAAP').
- In our opinion the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2024 and the Group's profit for the year then ended;
- In our opinion the Group financial statements have been properly prepared in accordance with IFRS;
- In our opinion the Parent Company financial statements have been properly prepared in accordance with UK GAAP; and
- In our opinion the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – prior period adjustments

In forming our opinion on the consolidated financial statements, which is not modified, we draw attention to the disclosures made in note 24 to the financial statements which explains that the prior year Cash and Cash Equivalents balances have been restated. We also draw attention to the disclosures made in note 24 to the consolidated financial statements which explains that the prior year Share Premium balances have been restated. We also draw attention to the disclosures made in note C13 to the Company financial statements which explains that the prior year Amounts owed to Group undertakings and Amounts owed from Group undertakings have been restated.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:
- The consideration of inherent risks to the Group and Parent Company's operations and specifically its business model.
- The evaluation of how those risks might impact on the Group and Parent Company's available financial resources.
- Where additional resources may be required the reasonableness and practicality of the assumptions made by the Directors when assessing the probability and likelihood of those resources becoming available.
- Liquidity considerations including examination of cash flow projections, challenging the underlying data and key assumptions in those projections, such as: the level of sales, operating expenses and planned funding for software development, used to make the assessment and comparing these to historical performance and post period-end information.
- Evaluating the adequacy of management's budgets and forecasts and their basis of preparation, including review and assessment of the model's appropriateness, mechanical accuracy and sensitivity analysis on key cash changes from movements in key assumptions.

- Consideration of post-balance sheet events which may impact going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Scope	Our audit was scoped by obtaining an understanding of the Group, including the Parent Company and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement. This is the first year we have been appointed as auditors to the Group. We undertook the following transitional procedures. • Held meeting with senior management to gain an understanding of the Group's operations and strategic objectives. • We held meetings with the predecessor auditors, including reviewing their audit working papers for the prior financial period to gain an understanding of the Group's processes, their audit risk assessment, and the design of their audit approach for the year ended 31 March 2023. The results of these procedures were considered in our audit planning and risk assessment for our audit for the year ended 31 March 2024.

Materiality

	2024	2023
Group	**£400,000**	£254,000
Parent Company	**£390,000**	£253,999

Key audit matters

- **Revenue recognition**
- **Valuation and recognition of development costs**

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report continued
to the members of ActiveOps plc

Revenue recognition

Key audit matter description (see note 4 to the financial statements)	The group's revenues are generated from Software as a Service ('SaaS') solutions and Training and Implementation ('T&I'). SaaS revenues are recognised evenly over the duration of the contract, whereas T&I revenues are recognised upon delivery of the service. There is a risk that the performance obligations within the contracts have not been correctly identified and/or that revenue has not been recognised as those obligations are satisfied. We have identified that the risks in relation to this key audit matter are at the end of the period in relation to cut-off. Management may record revenue in an incorrect reporting period in order to meet targets, covenant requirements, please investors or meet business Key Performance Indicators ('KPIs'). In addition to the risk of fraud, there is the risk of error, as cut-off of projects spanning the year end is judgemental. We also consider the risk of error in the cut-off period.
How the scope of our audit responded to the key audit matter	Our audit work included, but was not restricted to the following: • We reviewed the group's revenue recognition policy for each material revenue stream through discussions with management and examined the Group's documentation; • We assessed whether the Group's accounting policy is in accordance with IFRS 15 'Revenue from Contracts with Customers'; • We obtained an understanding of the process, systems, and controls in place surrounding revenue recognition. We completed a walkthrough of each key revenue stream to evaluate the design and implementation of key controls around the revenue recognition and cut-off process. • We performed detailed substantive sample testing on revenue recognised in the period; corroborating revenue recognised with supporting evidence. • We performed testing over the year-end accrued and deferred revenue balances. • We reviewed the financial statements disclosures in respect of revenue.
Key Observations	We found revenue cut-off to be satisfactory and the disclosures in respect of revenue recognition to be adequate.

Valuation and recognition of development costs

Key audit matter description (see note 11 to the financial statements)	The Group capitalises software development costs in accordance with IAS 38 *'Intangible Assets'*. There are two assets included in capitalised development costs that are material to the financial statements: CiQ – Capex and CaseWorkiQ redevelopment into ControliQ. There is judgement involved in determining if these costs meet the criteria to be defined as development costs. There is judgement involved in establishing whether the assets capitalised meet certain criteria, particularly in respect of technical feasibility, the generation of probable future benefits and the ability to identify and reliably measure relevant costs. There is also judgement involved in assessing the valuation of capitalised development costs at the year end.
How the scope of our audit responded to the key audit matter	Our audit work included, but was not restricted to the following: • We assessed whether the Group's accounting policy is in accordance with IAS 38 'Intangible Assets'. • We completed a walkthrough of an item of capitalised development expenditure to evaluate the design and implementation of key controls around the recognition of capitalised development expenditure. • We gained an understanding of the Group's business model and future plans in order to recover the value of the assets. • We evaluated management's processes around accurately identifying recorded time that meets the criteria for capitalisation. • We verified personnel costs to payroll records and tested the mathematical calculation. • We challenged management's assessment of the nature of costs incurred and whether these meet the criteria to be capitalised in accordance with IAS 38 • We assessed the appropriateness of management's assessment of the useful economic life of capitalised development costs and assessed whether there are any indicators of impairment that exists. • We assessed the adequacy of management's disclosures in the financial statements.
Key Observations	We found the valuation and recognition of capitalised development costs to be satisfactory and the disclosures in respect of capitalised development costs to be adequate.

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Materiality in respect of the group was set at £400,000 (2023: £254,000) which was determined on the basis of 1.5% (2023: 1%) Group revenue. Group's total revenue was deemed to be the appropriate benchmark for the calculation of Group materiality as this is the main measure by which the users of the financial statements assess the financial performance and success of the Group and is a Key Performance Indicator identified by management. A profit benchmark was considered but rejected due to historical variability.

Materiality in respect of the Parent Company was set at £390,000 (2023: £253,999) which was determined on the basis of 2.7% (2023: 1.95%) of Parent Company revenue. The Parent Company is both a trading company and a holding company. Revenue was deemed to be the most appropriate benchmark due to the reasons outlined for the Group above.

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Performance materiality for the Group was set at £280,000 (2023: £190,000) which represents 70% (2023 – 75%) of the above materiality levels.

Performance materiality for the Parent Company was set at £273,000 (2023: £190,000) which represents 70% (2023 – 75%) of the above materiality levels.

The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls, the impact of there being a number of components and locations and the level of misstatements arising in previous audits.

We agreed to report any corrected or uncorrected adjustments exceeding £20,000 (2023: £12,700) and £19,500 (2023: £12,600) in respect of the Group and Parent Company respectively to the Audit Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

Overview of the scope of the Group and Parent Company audits

Our assessment of audit risk, evaluation of materiality and our determination of performance materiality sets our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. This assessment takes into account the size, risk profile, organisation / distribution and effectiveness of group-wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each component.

The Group manages its operations from the UK and has common financial systems, processes and controls covering all significant components.

In assessing the risk of material misstatement to the consolidated financial statements, and to ensure we had adequate quantitative and qualitative coverage of significant accounts in the consolidated financial statements, of the 10 components of the group, we identified 7 trading components which represent the principal business units within the Group.

Following this assessment, we identified 3 significant components in addition to the parent company of which the Group audit team performed full scope audits on all.

Non-significant components were subject to either audit procedures on specified balances and/or desktop review procedures, which were performed by the Group audit team. Desktop review procedures comprised Group level analytical procedures of each non-significant component.

Significant subsidiaries were determined based on:
1) financial significance of the component to the Group as a whole; and
2) assessment of the risk of material misstatements applicable to each component.

The group audit did not involve the use of component auditors.

Components subject to full scope audits and other components subject to procedures on specified balances and analytical reviews meant that our audit covered:

Group revenue	100%
Group profit before tax	100%
Group net assets	100%

Components subject to full scope audits covered:

Group revenue	96%
Group profit before tax	94%
Group net assets	75%

Independent Auditor's Report continued
to the members of ActiveOps plc

The control environment

We evaluated the design and implementation of those internal controls of the Group, including the Parent Company, which are relevant to our audit, such as those relating to the financial reporting cycle.

We deployed our internal IT audit specialists to get an understanding of the general IT environment.

Climate-related risks

In planning our audit and gaining an understanding of the Group and Parent Company, we considered the potential impact of climate-related risks on the business and its financial statements. We obtained management's climate-related risk assessment, along with relevant documentation relating to management's assessment and held discussions with management to understand their process for identifying and assessing those risks.

We specifically considered the impact upon the income and the valuation of assets of the Group.

We critically reviewed management's assessment and challenged the assumptions underlying their assessment. We also designed our audit procedures to specifically consider those assets where we anticipated, based on the work performed, that the highest impact arising from climate change might fall. We specifically reviewed forecasts from management where there was a potential climate related impact.

Reporting on other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained in their annual report. Our opinion of the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the financial statements is located on the FRC's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector, the control environment, business performance including remuneration policies and the Group's, including the Parent Company's, own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the Directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Group, focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, UK tax legislation, and AIM listing rules, or those that had a fundamental effect on the operations of the Group including Health and Safety laws.
- We enquired of the Directors and management concerning the Group's and the Parent Company's policies and procedures relating to:
  - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries to increase losses or to improve financial performance, and management bias in accounting estimates particularly in determining criteria for capitalised development costs.

Independent Auditor's Report continued
to the members of ActiveOps plc

Audit response to risks identified

In respect of the above procedures:

- we corroborated the results of our enquiries through our review of the minutes of the Group's and the Parent Company's board and audit committee meetings and inspection of legal and correspondence;
- audit procedures performed by the engagement team in connection with the risks identified included:
  - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements;
  - testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations;
  - evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
  - enquiry of management around actual and potential litigation and claims;
  - challenging the assumptions and judgements made by management in its significant accounting estimates, in particular those relating to the determination of the recognition and valuation of capitalised development costs as reported in the key audit matters section of our report; and
  - obtaining confirmations from third parties to confirm existence of a sample of balances.
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Gandell

Andrew Gandell FCA
(Senior Statutory Auditor)
for and on behalf of MHA, Statutory Auditor
London, United Kingdom

2 July 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

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
Revenue	4	**26,774**	25,459
Cost of sales	5	**(4,303)**	(4,679)
Gross profit		**22,471**	20,780
Administrative expense excluding share option charges, depreciation and amortisation		**(19,939)**	(19,935)
Administrative expenses – share option charges only	6	**(227)**	(27)
Administrative expenses – depreciation and amortisation only	11-13	**(1,267)**	(1,035)
Total administrative expenses		**(21,433)**	(20,997)
Impairment losses on financial assets and contract assets	11,15	**(183)**	–
Operating profit/(loss)	7	**855**	(217)
Finance income	8	**166**	49
Financing cost	9	**(34)**	(62)
Profit/(loss) before taxation		**987**	(230)
Taxation	10	**(142)**	(267)
Profit/(loss) for the year		**845**	(497)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations		**(136)**	(181)
Total comprehensive profit/(loss) for the year attributable to the owners of the parent company		**709**	(678)
Basic and diluted earnings/(loss) per share			
Basic earnings per share	20	**1.18p**	(0.70)p
Diluted earnings per share	20	**1.13p**	(0.70)p

The notes on pages 75 to 96 form an integral part of these financial statements.

Consolidated Statement of Financial Position
as at 31 March 2024

At 31 March	Notes	2024 £000	2023 Restated £000
Non-current assets			
Intangible assets	11	**5,794**	5,735
Property, plant and equipment	12	**221**	162
Right of use assets	13	**301**	419
Deferred tax assets	19	**174**	217
Total non-current assets		**6,490**	6,533
Current assets			
Trade and other receivables	15	**5,939**	6,373
Cash investments	16	**6,253**	3,037
Cash and cash equivalents		**11,353**	12,340
Total current assets		**23,545**	21,750
Total assets		**30,035**	28,283
Equity			
Share capital	20	**71**	71
Share premium account	20	**6,048**	6,048
Merger relief reserve	20	**396**	396
Share option reserve	21	**384**	593
Foreign exchange reserve		**(360)**	(224)
Retained earnings		**2,264**	983
Total equity		**8,803**	7,867
Non-Current liabilities			
Lease liabilities	13	**239**	364
Provisions	18	**201**	102
Deferred tax liabilities	19	**691**	889
Total non-current liabilities		**1,131**	1,355

At 31 March	Notes	2024 £000	2023 Restated £000
Current liabilities			
Trade and other payables	17	**19,963**	18,860
Lease liabilities	13	**69**	100
Corporation tax payable		**69**	101
Total current liabilities		**20,101**	19,061
Total equity and liabilities		**30,035**	28,283

The financial statements on pages 71 to 96 were approved and authorised for issue by the Board of Directors on 2 July 2024 and were signed on its behalf by:

Emma Salthouse

Emma Salthouse
Director and Group CFO

The notes on pages 75 to 96 form an integral part of these financial statements.

Company number 3125867

Consolidated Statement of Cash Flows
for the year ended 31 March 2024

Year ended 31 March	Notes	2024 £000	2023 Restated £000
Profit/(loss) after tax		**845**	(497)
Taxation		**142**	267
Finance income		**(166)**	(49)
Finance expense		**34**	62
Operating profit/(loss)		**855**	(217)
Adjustments for:			
Depreciation of property, plant and equipment	12	**117**	127
Depreciation of right of use asset	13	**137**	142
Amortisation of intangible assets	11	**1,013**	766
Impairment of intangible asset	11	**218**	–
Share option charge	20	**227**	27
Change in trade and other receivables	15	**434**	(2,619)
Change in trade and other payables and provisions	17,18	**1,202**	5,168
Cash from operations		**4,203**	3,394
Interest paid	9	**(20)**	(25)
Taxation paid		**(335)**	(284)
Net cash generated from operating activities		**3,848**	3,085
Investing activities			
Purchase of property, plant and equipment	12	**(179)**	(90)
Purchase of software	11	**(9)**	(40)
Capitalisation of development costs	11	**(1,347)**	(851)
Interest received	8	**166**	49
Net cash investments		**(3,216)**	(3,037)
Net cash used in investing activities		**(4,585)**	(3,969)
Financing activities			
Repayment of capital element of lease liabilities		**(155)**	(173)
Interest paid in respect of leases	9	**(14)**	(37)
Net cash used in financing activities		**(169)**	(210)
Net change in cash and cash equivalents		**(906)**	(1,094)
Cash and cash equivalents at beginning of the year		**12,340**	13,753
Effect of foreign exchange on cash and cash equivalents		**(81)**	(319)
Cash and cash equivalents at end of the year		**11,353**	12,340

The notes on pages 75 to 96 form part of these financial statements.

Consolidated Statement of Changes in Equity
for the year ended 31 March 2024

Year ended 31 March	Share capital £000	Share premium £000	Merger relief reserve £000	Share option reserve £000	Foreign exchange reserve £000	Retained earnings £000	Total £000
At 1 April 2022 – Reported	**71**	**6,444**	**–**	**566**	**(43)**	**1,480**	**8,518**
Prior Year Adjustment	–	(396)	396	–	–	–	–
At 1 April 2022 – Restated	**71**	**6,048**	**396**	**566**	**(43)**	**1,480**	**8,518**
Loss for the year	–	–	–	–	–	(497)	(497)
Exchange differences on translating foreign operations	–	–	–	–	(181)	–	(181)
Total comprehensive loss for the year	–	–	–	–	(181)	(497)	(678)
Transactions with owners, recorded directly in equity							
Share based payment charge (note 21)	–	–	–	27	–	–	27
Total transactions with owners	**–**	**–**	**–**	**27**	**–**	**–**	**27**
At 31 March 2023	**71**	**6,048**	**396**	**593**	**(224)**	**983**	**7,867**

Year ended 31 March	**Share capital £000**	**Share premium £000**	**Merger relief reserve £000**	**Share option reserve £000**	**Foreign exchange reserve £000**	**Retained earnings £000**	**Total £000**
At 1 April 2023	**71**	**6,048**	**396**	**593**	**(224)**	**983**	**7,867**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**845**	**845**
Exchange differences on translating foreign operations	**–**	**–**	**–**	**–**	**(136)**	**–**	**(136)**
Total comprehensive profit/(loss) for the year	**–**	**–**	**–**	**–**	**(136)**	**845**	**709**
Transactions with owners, recorded directly in equity							
Reserve transfer on exercising of share options	**–**	**–**	**–**	**(436)**	**–**	**436**	**–**
Share based payment charge (note 21)	**–**	**–**	**–**	**227**	**–**	**–**	**227**
Total transactions with owners	**–**	**–**	**–**	**(209)**	**–**	**436**	**227**
At 31 March 2024	**71**	**6,048**	**396**	**384**	**(360)**	**2,264**	**8,803**

The notes on pages 75 to 96 form part of these financial statements.

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.

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.

Notes Forming Part of the Financial Statements continued
for the year ended 31 March 2024

2. Accounting policies continued

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.

Notes Forming Part of the Financial Statements continued
for the year ended 31 March 2024

Impairment of financial assets continued

'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.

Notes Forming Part of the Financial Statements continued
for the year ended 31 March 2024

Short term leases and low value assets continued
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 three 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.

Notes Forming Part of the Financial Statements continued
for the year ended 31 March 2024

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.

Year ended 31 March 2024	**SaaS £000**	**T&I £000**	**Total £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**

Year ended 31 March 2023	SaaS £000	T&I £000	Total £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.

At 31 March	**2024 £000**	2023 £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.

For the year ended 31 March	2024 £000	2023 £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 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.

Year ended 31 March 2024	SaaS £000	T&I £000	Total £000
Revenue	**23,785**	**2,989**	**26,774**
Cost of sales	**(3,084)**	**(1,219)**	**(4,303)**
	20,701	**1,770**	**22,471**

Year ended 31 March 2023	SaaS £000	T&I £000	Total £000
Revenue	22,058	3,401	25,459
Cost of sales	(3,411)	(1,268)	(4,679)
	18,647	2,133	20,780

6. Employees and Directors

The average number of persons employed by the group (including Directors) during the year, analysed by category, was as follows:

Number of employees	2024 Number	2023 Number
Sales and marketing	**22**	28
Information technology and product	**75**	80
Customer services	**55**	50
Management and other	**27**	26
	179	184

'Management and other' includes two Executive Directors.

Employees aggregate remuneration comprised:

For the year ended 31 March	2024 £000	2023 £000
Wages and salaries	**13,943**	15,884
Social security costs	**1,261**	1,396
Pensions costs	**705**	687
Share option charges	**227**	27
	16,136	17,994

A summary of Directors' remuneration is shown below. Refer to the Directors' Remuneration Report for details regarding the remuneration of the highest paid Director and the total amounts for Directors' remuneration in accordance with Schedule 5 to the Accounting Regulations.

For the year ended 31 March	2024 £000	2023 £000
Remuneration for qualifying service	**699**	603
Company paid pension contribution	**24**	23
	723	626

Two Directors are accruing retirement benefits under money purchase schemes.

Notes Forming Part of the Financial Statements continued
for the year ended 31 March 2024

6. Employees and Directors continued

The amount of the share option charge relating to key management personnel has not been calculated or disclosed due to its relative low value. Key management personnel do participate in the share schemes operated by the Group. No options were exercised by Directors in 2024 or 2023.

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

For the year ended 31 March	2024 £000	2023 £000
Remuneration for qualifying service	**274**	242
Company paid pension contribution	**13**	12
	287	254

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The total amount of employee benefits received by key management personnel for their services to the Group during the year amounted to £3,327k (2023: £3,095k). Included in these totals were short-term employee benefits of £3,199k (2023: £2,972k) and post-employment benefits of £128k (2023: £122k). The Group incurred employer's taxes payable on those salaries of a further £306k (2023: £273k) in relation to the employment of these same members of staff.

7. Profit/(loss) for the year

For the year ended 31 March	2024 £000	2023 £000
Operating profit/(loss) is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's annual accounts	**154**	134
Fees payable to the company's auditor for other services		
Audit of subsidiaries	**85**	71
Depreciation of right of use assets (note 13)	**137**	142
Amortisation of intangible assets (note 11)	**1,013**	766
Depreciation of property, plant and equipment (note 12)	**117**	127
Impairment of intangible assets	**218**	–
Expected credit loss allowance	**(35)**	26
Foreign exchange loss/(gain)	**47**	(749)

8. Finance income

Interest receivable consists of:

For the year ended 31 March	2024 £000	2023 £000
Bank interest receivable	**166**	49

9. Financing costs

Financing costs consists of:

For the year ended 31 March	2024 £000	2023 £000
Lease interest – lease liabilities (note 13)	**14**	37
Other financing costs	**20**	25
	34	62

10. Taxation

For the year ended 31 March	2024 £000	2023 £000
Current income tax		
Foreign current tax on profit for the current period	**174**	362
Adjustments in respect of prior periods	**(44)**	34
Deferred tax		
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
Total tax charge	**142**	267

For the year ended 31 March	**2024 £000**	2023 £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
Total tax charge	**142**	267

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.

11. Intangible assets

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

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

Notes Forming Part of the Financial Statements continued
for the year ended 31 March 2024

11. Intangible assets continued

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:

At 31 March	2024 £000	2023 £000
Australia	**577**	577
United States of America	**600**	613
	1,177	1,190

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.

12. Property, plant and equipment

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

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

13. Right of use assets

	Buildings £000
Net book value	
At 1 April 2022	564
Foreign exchange	(3)
Depreciation charge for the year	(142)
At 31 March 2023	**419**
Foreign exchange	19
Depreciation charge for the year	(137)
At 31 March 2024	**301**

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

Amounts recognised in the Statement of Financial Position

At 31 March	2024 £000	2023 £000
Lease liabilities		
Current	**69**	100
Non-current	**239**	364
	308	464

Amounts recognised in the Statement of Profit or Loss

For the year ended 31 March	2024 £000	2023 £000
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

For the year ended 31 March	2024 £000	2023 £000
Total cash outflows	**295**	360

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 (note 18).

Notes Forming Part of the Financial Statements continued
for the year ended 31 March 2024

14. Subsidiaries

ActiveOps plc owned the following subsidiaries throughout the years ended 31 March 2024 and 31 March 2023.

Name of undertaking	Registered office	Country of Incorporation	Nature of business	Class of shareholding	Percentage held controlled or otherwise Direct	Percentage held controlled or otherwise Indirect
ActiveOps Overseas Limited	One Valpy, 20 Valpy Street, Reading, Berkshire, RG1 1AR, UK	United Kingdom	Holding company	Ordinary	100	–
Red Owl Technology Limited	Roselawn House, National Technology Park, Plassey, Limerick, Ireland	Ireland	Management Solutions	Ordinary	100	–
ActiveOps USA Inc.	c/o National Registered Agents Inc, 160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	USA	Management Solutions	Ordinary	100	–
ActiveOps Canada Inc.	Suite 2300, Bentall 5, 550 Burrard Street, Vancouver, BC V6C 2B5, Canada	Canada	Management Solutions	Ordinary	100	–
ActiveOps Pty Limited	231 Kensington Road, Kensington, South Australia, 5068, Australia	Australia	Management Solutions	Ordinary	100	–
ActiveOps Africa (PTY) Limited	8a Keyes Avenue, Johannesburg, 2196, South Africa	South Africa	Management Solutions	Ordinary	–	100
Active Operations Management India Private Limited	43/23, 2nd Cross, Promenade Road, Frazer Town, Bangalore, 560005, India	India	Management Solutions	Ordinary	–	100
Active Operations Management Australia Pty Ltd	231 Kensington Road, Kensington, South Australia, 5068, Australia	Australia	Management Solutions	Ordinary	–	100

15. Trade and other receivables

At 31 March	**2024 £000**	2023 £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.

At 31 March	**2024 £000**	2023 £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.

Information about the impairment of trade receivables and the group's exposure to credit risk and foreign currency risk can be found in note 22.

16. Cash investments

At 31 March	**2024 £000**	2023 £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 three months of the year end.

17. Trade and other payables

At 31 March	**2024 £000**	2023 £000
Trade payables	**527**	167
Other taxation and social security	**1,583**	1,360
Other payables	**6**	5
Accruals and deferred income	**17,847**	17,328
	19,963	18,860

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

18. Provisions

At 31 March	**2024 £000**	2023 £000
Provisions brought forward	**102**	97
Charged to income statement	**112**	5
Released to income statement	**(13)**	–
Provisions carried forward	**201**	102

ActiveOps India has an obligation to pay a one-off pension contribution to its employees when they cease to be employed. This has been estimated as being worth £51k given the current employees' salaries and length of service. The outflow of this provision is expected when employees leave the business so there is uncertainty around expected timing.

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 with expected outflow at the end of the lease.

A tax provision of £100k is included in the provisions balance.

Notes Forming Part of the Financial Statements continued
for the year ended 31 March 2024

19. Deferred tax

At 31 March	2024 £000	2023 £000
Deferred tax assets	**174**	217
Deferred tax liabilities	**(691)**	(889)
	(517)	(672)

The elements of the deferred taxation are as follows:

At 31 March	2024 £000	2023 £000
Other short term timing differences	**174**	217
Intangible assets	**(691)**	(889)
	(517)	(672)

The movement on deferred taxation is as follows:

At 31 March	2024 £000	2023 £000
At 1 April	**(672)**	(779)
Recognised in the year	**228**	129
Foreign exchange	**(73)**	(22)
	(517)	(672)

At 31 March 2024 the Company and its Group had tax losses of £18.1m (2023: £19.9m) to carry forward to offset against future taxable profits. This has not been recognised as a deferred tax asset. In accordance with legislation, these tax losses do not time expire.

20. Share capital and share premium and reserves

	Ordinary Shares		
	Number	Share capital £000	Share premium £000
At 1 April 2022	71,364,180	71	6,048
Issued under share option schemes	–	–	–
At 31 March 2023	71,364,180	71	6,048
Issued under share option schemes	–	–	–
At 31 March 2024	**71,364,180**	**71**	**6,048**

The nominal value per ordinary share is £0.001.

Each ordinary share is entitled to one vote per share and shall have equal rights in relation to any distribution of dividends.

The earnings per share calculation is determined by dividing the profit by the weighted average number of shares. The calculation of the earnings per share is explained below:

At 31 March	2024 £000	2023 £000
Profit/(loss) for the year		
Profit/loss for the year	**845**	(497)

At 31 March	2024 Number	2023 Number
Basic earnings number of shares		
Weighted average number of shares in issue during the year	**71,364,180**	71,364,180
Diluted earnings number of shares		
Number of issued options at 31 March (see note 21)	**3,259,569**	3,188,776
Number of shares and share options for diluted earnings per share calculation	**74,623,749**	74,552,956

Merger reserve

The acquisition of ActiveOps Pty Ltd on 1 April 2017 is accounted for in accordance with the principles of merger accounting. The consideration paid included 330,000 ordinary shares for £1.21 per share with a nominal value of £0.01 per share. The difference between the nominal value of the shares and the share price has been recognised as merger relief. This was recognised as share premium in the year ended 31 March 2023 accounts and has been reclassified to merger relief this year. Further information in relation to this prior year restatement can be found in note 24.

21. Share options and share awards

The Group has incurred costs of £227k (2023: £27k) in relation to share-based payment charges to the share option reserve.

The Group had four equity settled share-based payments schemes in the year:

Company Share Option Plan ('CSOP')

This was a scheme put in place at the Company's listing. It is overseen by the Remuneration Committee of the Board. The CSOP has been designed so as to be capable of being certified as a Schedule 4 CSOP (as described in Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003).

This scheme has been made available to all employees and executive Directors of the group.

All options vest after three years. The only vesting condition is that the option holder must remain in employment of the group for the full three years.

For employees in some countries, they have been only offered a phantom scheme that pays cash at the end of term. This has been done to maximise the benefit to the employee in countries where the taxation of share options would significantly erode the benefit received by the employee.

The number of share options issued in the year under this scheme is 460,353 (2023: nil).

	Share Options	Option Price
2021 CSOP	299,705	£1.68
2024 CSOP	460,353	£0.93
Total	760,058	

Performance Share Option Plan ('PSOP')

This is a scheme put in place at the Company's listing and is the long-term incentive plan for senior management across the group. It is overseen by the Remuneration Committee of the Board. This scheme is only open to senior management and the vesting of the options is dependent on a combination of the Group's results and share price performance.

All options vest after a period of three years, subject to the achieving a variety of performance conditions which will typically be based on financial measures including but not limited to:

- Annual recurring revenue
- Total report revenue
- EBITDA
- Total shareholder return

The financial measures or any other performance conditions are set at the discretion of the Remuneration Committee.

Options do not vest if minimum performance levels are not achieved.

Employees in some countries have been offered a phantom scheme that pays cash at the end of term. This has been done to maximise the benefit to the employee in countries where the taxation of share options would significantly erode the benefit received by the employee.

The option price is £0.001 per share. The number of share options issued in 2024 under this scheme was 1,595,304 (2023: 1,474,391).

This includes 581,000 share options with no vesting condition other than to remain employed by the Group, which is a new award as part of the hiring package to attract and retain quality hires. This was awarded to three recent hires across the Board and Senior Management Team.

Global Share Participation Plan ('GSPP')

This scheme was put in place in March 2022. The plan is overseen by the Remuneration Committee of the Board. It offers employees an opportunity to directly participate in the long-term success of the Group by purchasing shares (up to a maximum of £6,000 per year of the plan cycle), through the GSPP. The Group provides a matching share for every share purchased by employees which will be awarded to the colleague on the three year anniversary of the share purchase. The match is subject to forfeiture in case of termination of employment before the end of the plan cycle.

The plan was made available to all colleagues eligible to trade shares and who had six months of continuous service. The GSPP has the same core design in all locations, except Canada.

Share Incentive Plan ('SIP')

This scheme was put in place in March 2022. The plan is overseen by the Remuneration Committee of the Board. The plan is akin to the GSPP offering employees an opportunity to directly participate in the long-term success of the Group by purchasing shares (up to a maximum of £1,800 per year per the plan cycle), through the SIP. The SIP scheme is a HMRC approved tax efficient employee plan. The Group provides a matching share for every share purchased by employees which will be awarded to the colleague on the three year anniversary of the share purchase.

All UK colleagues who had six months of continuous service and under no share dealing restrictions were eligible to apply.

Notes Forming Part of the Financial Statements continued
for the year ended 31 March 2024

21. Share options and share awards continued

Number of share options

The number of share options and their weighted average option price is:

	Number of share options		Weighted average exercise price	
	CSOP Number	Performance share option Number	CSOP £	Performance share option £
Outstanding at 1 April 2023	299,705	2,889,071	1.26	–
Granted	461,415	1,595,304	0.93	–
Lapsed	(107,864)	(1,878,062)	1.26	
Outstanding at 31 March 2024	**653,256**	**2,606,313**	**1.03**	**–**

No performance share options were exercisable at 31 March 2024. Of the outstanding CSOP share options 211,902 were exercisable at 31 March 2024.

Valuation of share options

The following assumptions were utilised in determining the valuation of the performance share options granted in the period:

Assumption	Description and purpose
Volatility	The volatility has been estimated using the volatility of comparable companies. The volatility used was 32%.
Expected time to exercise	It is assumed that they will exercise after three years.
Dividends	It was assumed for all options that no dividends would be paid.
Option exercise price	The option exercise price was known at the date the option was granted at £0.001 per share.
Risk free rate	The risk free rate was based on the UK Government Bond yield of duration equal to the expected time to exercise and was 4.89%.

All share options were granted for £0.001 per share. The total fair value of all options granted in the year was £700k (2023: £673k).

22. Financial risk management

The Group's principal financial instruments comprise cash and cash equivalents and cash investments, trade and other receivables, trade and other payables and finance lease liabilities.

The main purpose of these financial instruments is to finance the Group's operations.

Risk management is carried out by the finance department under policies approved by the Board of Directors. The Group finance department identifies, evaluates and manages financial risks. The Board provides guidance on overall risk management including credit risk, and investment of excess liquidity.

The impact of the risks required to be discussed under IFRS 7 are detailed below:

a) Market risk

Foreign exchange risk

The Group undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuations arise. The exposure to transactional foreign exchange risk is monitored and managed at a Group level. The Group seeks to reduce foreign exchange exposures arising from transactions in various currencies through a policy of matching as far as possible, receipts and payments across the Group in each individual currency.

The group's exposure to foreign currency risk at the end of the reporting period, expressed in Currency Units, was as follows:

Year ended 31 March 2024	**USD $000**	**ZAR R000**	**AUD $000**	**INR ₹000**	**EUR €000**	**CAD $000**	**NZD $000**
Trade receivables	**537**	**3,165**	**199**	**–**	**–**	**443**	**–**
Cash and Cash equivalents and Cash investments	**2,341**	**10,941**	**3,615**	**2,054**	**256**	**4,470**	**146**
Trade payables	**(25)**	**(454)**	**(68)**	**50**	**(1)**	**–**	**–**

Year ended 31 March 2023	USD $000	ZAR R000	AUD $000	INR ₹000	EUR €000	CAD $000	NZD $000
Trade receivables	811	450	755	–	–	2,162	–
Cash and Cash equivalents and Cash investments	2,182	6,216	7,147	3,322	285	1,518	488
Trade payables	6	(4)	(37)	88	(1)	(2)	–

The following table shows the effect on the Group's result for the year, of sterling strengthening by 5% against debtor, creditor and cash balances denominated in foreign currencies, with all other variables held constant. 5% represents management's assessment of the reasonable possible change in exchange rates.

Year ended 31 March 2024	USD $000	ZAR R000	AUD $000	INR ₹000	EUR €000	CAD $000	NZD $000
Impact on profit and equity for the year (in sterling)	**(108)**	**(27)**	**(92)**	**(1)**	**(10)**	**(137)**	**(3)**

The total cost in sterling of a 5% strengthening is £378k.

Year ended 31 March 2023	USD $000	ZAR R000	AUD $000	INR ₹000	EUR €000	CAD $000	NZD $000
Impact on profit and equity for the year (in sterling)	(115)	(14)	(203)	(2)	(12)	(105)	(12)

The total cost in sterling of a 5% strengthening is £463k.

The following table shows the effect on the Group's result for the year, of sterling weakening by 5% against debtor, creditor and cash balances denominated in foreign currencies, with all other variables held constant. 5% represents management's assessment of the reasonable possible change in exchange rates.

Year ended 31 March 2024	USD $000	ZAR R000	AUD $000	INR ₹000	EUR €000	CAD $000	NZD $000
Impact on profit and equity for the year (in sterling)	**119**	**30**	**102**	**1**	**11**	**151**	**4**

The total benefit in sterling of a 5% weakening is £418k

Year ended 31 March 2023	USD $000	ZAR R000	AUD $000	INR ₹000	EUR €000	CAD $000	NZD $000
Impact on profit and equity for the year (in sterling)	128	16	224	2	13	116	13

The total benefit in sterling of a 5% weakening is £512k.

Cash flow and fair value Interest rate risk

The Group's exposure to changes in interest rate risk relates primarily to interest earning financial assets and interest-bearing financial liabilities. Finance leases are at fixed effective interest rates with no interest rate risk. The Group does not have exposure in this area.

b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. Credit risks also arise from cash and cash equivalents and deposits with banks and financial institutions. Credit risk is managed on a Group basis.

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

At 31 March	2024 £000	2023 £000
Trade receivables	**4,363**	5,507
Other receivables	**178**	191
Contract assets	**957**	306
Cash investments	**6,253**	3,037
Cash and cash equivalents	**11,353**	12,340
	23,104	21,381

Contract assets relating to SaaS are only recognised where a contract with a customer is expected to be renewed, and there is a clear expectation that there will be a signed contract as the customer was using the Group's software at the balance sheet date. Contract assets are only expected to be a short-term asset as invoices are raised once the signed agreement is in place. The Group has placed no loss provision on these assets, as they are routinely converted into an invoice once the contract is agreed, which is then paid.

T&I contract assets are only recognised when there is a signed contract, and T&I work has taken place with a customer which is yet to be invoiced. Contract assets are only expected to be short-term assets as invoices are raised once the work is completed. The Group has placed no loss provision on these assets, as they are routinely converted into an invoice which is then paid.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 March 2023, and the corresponding historical credit losses experienced within this period.

Notes Forming Part of the Financial Statements continued
for the year ended 31 March 2024

22. Financial risk management continued

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

At 31 March	2024 £000	2023 £000
Not due	**3,708**	3,587
0-30 days overdue	**582**	1,734
31-60 days overdue	**16**	8
61-90 days overdue	**–**	14
91+ days overdue	**57**	164
	4,363	5,507

Due to the low level of historic defaults, the Group's provisioning against trade receivables is not significant to the reported result. A general provision matrix based on performance for the last 36 months results in a £nil provision. Based on forward looking information, specific provisions of £21k (2023: £56k) are included against its trade receivables.

The company considers the probability of default (failure to pay) upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- Internal credit rating
- External credit rating (as far as available)
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed by IFRS 9 if a debtor is more than 30 days past due in making a contractual payment. Management have rebutted this presumption for trade receivables due to their history of recovery of balances and only consider there to be a significant increase in credit risk where a trade receivable is more than 90 days past due.

Financial assets are written off when there is no reasonable expectation of recovery, as payment is over 90 days overdue, and a customer has ceased engaging in communications including failing to engage in a repayment plan with the company. Where receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Financial instruments which potentially subject the Company to concentrations of credit risk are primarily cash, cash equivalents, cash investments and accounts receivable. The Group places its cash and cash equivalents in demand accounts and money market funds.

The Group sells their products to customers in diversified industries worldwide, including North America, Europe, Asia and Australasia. Revenues from customers outside the UK in the year ended 31 March 2024 were approximately £13.4m (March 2023: £12.4m).

Adverse economic developments in foreign countries could adversely affect the Group's operating results. The Group performs ongoing credit evaluations of their customers' financial condition and generally requires no collateral. The Group does not have a history of credit losses. The credit risk on liquid funds is limited because funds are held with banks with high credit-ratings assigned by international credit-rating agencies. Management does not expect any losses from non-performance of these counterparties.

None of the Group's financial assets are secured by collateral or other credit enhancements.

c) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting its obligations associated with the financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when then are due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group closely monitors its access to bank and other credit facilities in comparison to its outstanding commitments on a regular basis to ensure that it has sufficient funds to meet obligations of the Group as they fall due. The Board receives regular debt management forecasts which estimate the cash inflows and outflows over the next 12 months, so that management can ensure that sufficient financing is in place as it is required.

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

At 31 March 2024	**Less than 1 year £000**	**Between 1 and 2 years £000**	**Between 2 and 5 years £000**	**Over 5 years £000**	**Total cashflow £000**	**Carrying amount of liabilities £000**
Trade payables	**527**	**–**	**–**	**–**	**527**	**527**
Other payables	**1,589**	**–**	**–**	**–**	**1,589**	**1,589**
Accruals	**3,428**	**–**	**–**	**–**	**3,428**	**3,428**
Lease liabilities	**145**	**145**	**109**	**–**	**399**	**308**
	5,689	**145**	**109**	**–**	**5,943**	**5,852**

At 31 March 2023	Less than 1 year £000	Between 1 and 2 years £000	Between 2 and 5 years £000	Over 5 years £000	Total cashflow £000	Carrying amount of liabilities £000
Trade payables	167	–	–	–	167	167
Other payables	1,365	–	–	–	1,365	1,365
Accruals	3,853	–	–	–	3,853	3,853
Lease liabilities	210	145	255	–	610	464
	5,595	145	255	–	5,995	5,849

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date.

d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may, subject to shareholders' approval as appropriate, adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

The Group manages its capital to ensure that all Group entities will be able to continue on a going concern basis while maximising its long-term return to shareholders. As the Group is typically paid in advance by its customers there is a delay between the cashflow inflow and the recognition of revenue. Therefore, the Group primarily monitors its cashflow requirements as the main metric in order to ensure it is not exposed to unwanted capital risk.

e) Summary of financial assets and liabilities by category

The carrying amount of financial assets and liabilities recognised may also be categorised as follows:

At 31 March	**2024 £000**	2023 £000
Financial assets at amortised cost		
Trade and other receivables	**5,498**	6,004
Cash investments	**6,253**	3,037
Cash and cash equivalents	**11,353**	12,340
	23,104	21,381

At 31 March	**2024 £000**	2023 £000
Financial liabilities at amortised cost		
Trade and other payables	**5,544**	5,386
Lease liabilities	**308**	464
	5,852	5,850

Fair values and risk measurement

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables and lease liabilities. The carrying value of these are all recorded at amortised cost. The fair values of these financial instruments approximate to their carrying values due to either their short-term nature or being priced at market-based variable interest rates.

Notes Forming Part of the Financial Statements continued
for the year ended 31 March 2024

23. Analysis of changes in net debt

	Leases £000	Cash & cash equivalents £000	Cash investments £000	Total £000
Net cash at 1 April 2022	(640)	13,753	–	13,113
Cashflows	173	(1,094)	3,037	2,116
Foreign exchange	3	(319)	–	(316)
Net cash at 31 March 2023	**(464)**	**12,340**	**3,037**	**14,913**
Cashflows	155	(906)	3,216	2,465
Foreign exchange	1	(81)	–	(80)
Net cash at 31 March 2024	**(308)**	**11,353**	**6,253**	**17,298**

24. Prior year restatements

Statement of changes in equity

Year ended 31 March	Share capital £000	Share premium £000	Merger relief reserve £000	Share option reserve £000	Foreign exchange reserve £000	Retained earnings £000	Total £000
At 1 April 2022 – Reported	**71**	**6,444**	**–**	**566**	**(43)**	**1,480**	**8,518**
Prior Year Adjustment	–	(396)	396	–	–	–	–
At 1 April 2022 – Restated	**71**	**6,048**	**396**	**566**	**(43)**	**1,480**	**8,518**

During the year management identified that merger relief was available in relation to the acquisition of ActiveOps Pty Ltd on 1 April 2017. The consideration paid included 330,000 ordinary shares for £1.21 per share with a nominal value of £0.01 per share. The difference between the nominal value of the shares and the share price which was previously recognised as share premium has now been recognised as merger relief.

Cash and cash equivalents

At 31 March	Notes	**2023 Restated £000**	2023 Reported £000
Current assets			
Cash investments		**3,037**	–
Cash and cash equivalents		**12,340**	15,377
		15,377	15,377

The Group regularly places surplus cash on deposit for the purpose of earning interest. The cash and cash equivalents balance of £15.4m as at 31 March 2023 included £3m held on a six month deposit maturing within three months of the year end, which has been reclassified to cash investments this year.

25. Other financial commitments

On 12 October 2021 the Company entered into a debenture agreement with HSBC UK Bank plc which involved the application of a fixed and floating charge on the companies assets.

The amount of borrowings outstanding subject to this charge at 31 March 2024 was £nil.

26. Controlling party

At the year end the Directors are of the opinion that there is no ultimate controlling party due to no individual party owning a majority share in ActiveOps plc.

27. Events after the reporting date

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

28. Related party transactions

The remuneration of the Directors and Key Management Personnel is disclosed in note 6.

There are no amounts due from the Group to Key Management Personnel (2023: £nil). There is an amount due to a Company within the Group of £103k (2023: £121k) from one key management person.

Company Statement of Financial Position
for the year ended 31 March 2024

At 31 March	Notes	2024 £000	2023 Restated £000
Non-current assets			
Intangible assets	C5	**1,993**	1,189
Property, plant and equipment	C6	**155**	92
Right of use assets	C7	**301**	402
Investments	C8	**6,547**	6,518
Total non-current assets		**8,996**	8,201
Current assets			
Trade and other receivables	C9	**6,604**	8,783
Cash investments		**6,253**	3,037
Cash and cash equivalents		**4,468**	7,027
Total current assets		**17,325**	18,847
Total assets		**26,321**	27,048
Equity			
Share capital		**71**	71
Share premium account		**6,048**	6,048
Merger relief reserve		**396**	396
Share option reserve		**384**	592
Retained earnings		**(12)**	(974)
Total equity		**6,887**	6,133

At 31 March	Notes	2024 £000	2023 Restated £000
Non-Current liabilities			
Lease liabilities		**239**	364
Provisions	C11	**150**	50
Total non-current liabilities		**389**	414
Current liabilities			
Trade and other payables	C10	**18,976**	20,431
Lease liability		**69**	70
Total current liabilities		**19,045**	20,501
Total equity and liabilities		**26,321**	27,048

ActiveOps plc reported a profit for the year of £665k (2023: loss of £1,031k).

The financial statements of ActiveOps plc were approved and authorised for issue by the Board of Directors on 2 July 2024 and were signed on its behalf by:

Emma Salthouse
Director and Group CFO

The notes on pages 99 to 102 form an integral part of these financial statements.

Company Statement of Changes in Equity
for the year ended 31 March 2024

Year ended 31 March	Share capital £000	Share premium £000	Merger relief reserve £000	Share option reserve £000	Retained Earnings £000	Total £000
At 1 April 2022 – Reported	**71**	**6,444**	**–**	**565**	**57**	**7,137**
Prior Year Adjustment	–	(396)	396	–	–	–
At 1 April 2022 – Restated	**71**	**6,048**	**396**	**565**	**57**	**7,137**
Loss for the year	–	–	–	–	(1,031)	(1,031)
Total comprehensive loss for the year						
Transactions with owners, recorded directly in equity						
Share based payment charge	–	–	–	27	–	27
Total transactions with owners	**–**	**–**	**–**	**27**	**–**	**27**
At 31 March 2023	**71**	**6,048**	**396**	**592**	**(974)**	**6,133**

Year ended 31 March	**Share capital £000**	**Share premium £000**	**Merger relief reserve £000**	**Share option reserve £000**	**Retained Earnings £000**	**Total £000**
At 1 April 2023	**71**	**6,048**	**396**	**592**	**(974)**	**6,133**
Profit for the year	**–**	**–**	**–**	**–**	**665**	**665**
Total comprehensive profit for the year						
Transactions with owners, recorded directly in equity						
Reserve transfer on exercising of share options	**–**	**–**	**–**	**(297)**	**297**	**–**
Share based payment charge	**–**	**–**	**–**	**89**	**–**	**89**
Total transactions with owners	**–**	**–**	**–**	**(208)**	**297**	**89**
At 31 March 2024	**71**	**6,048**	**396**	**384**	**(12)**	**6,887**

The notes on pages 99 to 102 form part of these financial statements.

Notes Forming Part of the Company Financial Statements
for the year ended 31 March 2024

C1. 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 is principally engaged in the provision of hosted operations management Software as a Service ('SaaS') solutions to industry leading companies around the world.

There has been a prior year reclassification within the Company only financial statements in relation to intercompany receivables and payables. Further details of these restatements can be found in note C13 to the Company financial statements.

C2. Accounting policies
The Company has applied the Group accounting polices consistently during the year.

Basis of preparation
The financial statements are for the year ended 31 March 2024. The financial statements of the Company have been prepared on a going concern basis under the historical cost convention and in accordance with the requirements of the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 ('FRS 101'). These financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and FRS 101.

The accounting policies set out in note 2 of the consolidated financial statements have been applied in the preparation of these financial statements.

The Company has made significant accounting estimates and judgments in relation to the capitalisation of development costs. This is detailed in note 3 of the Group Accounts.

Exemptions
As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to:

- The requirements of IAS 24 Related Party Disclosures between wholly owned subsidiaries and key management personnel services from management entities
- The requirements of IFRS 7 Financial instrument disclosures
- The requirements of IAS 7 Statement of cashflows
- The requirements of IFRS 2 Share Based Payments

Investments in subsidiaries
Investments in subsidiary undertakings are stated at cost less any adjustments for impairment.

Changes in accounting policies
New standards, interpretations and amendments adopted in these accounts:

All changes to accounting standards are explained in note 2 to the consolidated financial statements.

C3. Profit for the year
As permitted by section 408 of the Companies Act 2006, the parent company has elected not to present its own profit and loss account for the year. The auditor's remuneration for audit and other services is disclosed in note 7 to the consolidated financial statements.

Notes Forming Part of the Company Financial Statements
for the year ended 31 March 2024 continued

C4. Employees and Directors

The average number of employees employed by the company during the year was:

Number of employees	2024	2023
Sales and marketing	**20**	15
Information technology and product	**47**	49
Customer services	**20**	16
Management and other	**14**	20
	101	100

'Management and other' includes two Non-Executive Directors and two Executive Directors. All Directors of the company were also Directors of the Group, and their remuneration is shown in note 6 to the consolidated financial statements.

Total remuneration compromised:

For the year ended 31 March	2024 £000	2023 £000
Wages and salaries	**8,068**	8,434
Social security costs	**993**	1,009
Pensions costs	**394**	353
Share option charges	**89**	27
	9,544	9,823

For details of the highest paid Director during the year refer to note 6 to the consolidated financial statements.

C5. Intangible assets

	Purchased software £000	Intellectual property rights £000	Capitalisation of development costs £000	Total £000
Cost				
At 1 April 2022	30	125	364	519
Additions (purchases)	40	–	–	40
Additions (internal development)	–	–	851	851
At 31 March 2023	**70**	**125**	**1,215**	**1,410**
Additions (purchases)	9	–	–	9
Additions (internal development)	–	–	1,347	1,347
At 31 March 2024	**79**	**125**	**2,562**	**2,766**
Accumulated depreciation				
At 1 April 2022	13	125	–	138
Charge for the year	10	–	73	83
At 31 March 2023	**23**	**125**	**73**	**221**
Charge for the year	15	–	319	334
Impairment	–	–	218	218
At 31 March 2024	**38**	**125**	**610**	**773**
Carrying amount				
At 31 March 2024	**41**	**–**	**1,952**	**1,993**
At 31 March 2023	47	–	1,142	1,189

There are two assets included in capitalised development costs which are material to the financial statements. Details of these assets are disclosed in note 11 to the consolidated financial statements.

The aggregate research and development expenditure recognised as an expense during the period is £2.6m (2023: £2.4m).

C6. Property, plant and equipment

	Leasehold improvements £000	Plant and machinery £000	Fixtures, fittings and equipment £000	Total £000
Cost				
At 1 April 2022	120	233	387	740
Additions	–	30	21	51
At 31 March 2023	**120**	**263**	**408**	**791**
Additions	–	58	80	138
At 31 March 2024	**120**	**321**	**488**	**929**
Accumulated depreciation				
At 1 April 2022	120	170	324	614
Charge for the year	–	38	47	85
At 31 March 2023	**120**	**208**	**371**	**699**
Charge for the year	–	43	32	75
At 31 March 2024	**120**	**251**	**403**	**774**
Carrying amount				
At 31 March 2024	**–**	**70**	**85**	**155**
At 31 March 2023	–	55	37	92

C7. Right of use assets

	Buildings £000
Net book value	
At 1 April 2022	502
Depreciation charge for the year	(100)
At 31 March 2023	402
Depreciation charge for the year	(101)
At 31 March 2024	**301**

C8. Investment in subsidiaries

Shares in group undertakings	£000
At 1 April 2022	6,543
Movement	(25)
At 31 March 2023	6,518
Movement	29
At 31 March 2024	**6,547**

Details of the Group's subsidiaries at 31 March 2024 are included in note 14 to the consolidated financial statements.

The investment movement relates to the share option charge movement for the Group, excluding the UK, which has decreased due to leavers during the year.

Investment by Subsidiary	£000
ActiveOps USA Inc	2,614
ActiveOps Canada Inc	3
ActiveOps Overseas Ltd	1
ActiveOps Pty Ltd	3,867
ActiveOps Africa (Pty) Limited	32
Red Owl Technology Limited	10
Active Operations Management India Private Limited	20
	6,547

Notes Forming Part of the Company Financial Statements
for the year ended 31 March 2024 continued

C9. Trade and other receivables

At 31 March	2024 £000	2023 Restated £000
Trade receivables	**3,442**	3,132
Prepayments & Accrued Income	**1,273**	553
Amounts due from Group undertakings	**1,843**	5,056
Other receivables	**46**	42
	6,604	8,783

The Company charges interest to its subsidiaries on intercompany balances over 30 days old at a rate of LIBOR +4%.

Trade and other receivables are generally due for settlement within 30 days. The company applies the general approach to measuring expected credit losses (ECL) on other receivables and amounts due from Group undertakings, which uses the three-stage approach for measuring the ECL. As a result of the above conversion of loans, the unprovided loans are in stage 1 and no additional ECL has been recognised in the current year on the grounds of materiality.

Amounts due from Group undertakings in the prior year has been restated to reclassify intercompany balances on a gross basis, which were previously regognised on a net basis.

C10. Trade and other payables

Creditors due within one year:

At 31 March	2024 £000	2023 Restated £000
Trade payables	**452**	153
Other taxation and social security	**1,496**	1,229
Amounts due to Group undertakings	**6,278**	8,728
Other payables	**5**	3
Accruals and deferred income	**10,745**	10,318
	18,976	20,431

The Company pays interest to its subsidiaries on intercompany balances over 30 days old at a rate of LIBOR +4%. There are no repayment terms on intercompany loans, but funding is provided to subsidiaries if and when it is required.

Amounts due to Group undertakings in the prior year has been restated to reclassify intercompany balances on a gross basis, which were previously regognised on a net basis.

C11. Provisions

At 31 March	2024 £000	2023 £000
Provisions brought forward	**50**	50
Increase in the year	**100**	–
Provisions carried forward	**150**	50

A provision is required to restore leased premises to their original condition at the end of the respective lease terms. A provision of £50k has been recognised for the estimated expenditure required to remove any leasehold improvements. The expected outflow of the provision is at the end of the lease term in March 2027. A tax provision of £100k is included in the provisions balance.

C12. Events after the reporting date

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

C13. Prior year adjustments

During the year management have assessed that intercompany accrued income previously recognised on a net basis should be recognised as a separate receivable and payable. Therefore a balance sheet reclassification has been done in 2023 between 'Amounts due from Group undertakings' and 'Amounts due to Group undertakings.'

Company Information

Company number
03125867

Directors
Richard Jeffery (CEO)
Emma Salthouse (CFO), appointed 1 December 2023
Ken Smith (CFO), appointed 1 May 2023, resigned 1 December 2023
Paddy Deller (CFO), resigned 1 May 2023
Sean Finnan (Non-Executive Chair)
Hilary Wright – (Non-Executive)
Mike McLaren – (Non-Executive)

Company secretary
Rebecca Hughes

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