

The top half of the image features a grid of squares in various shades of blue, purple, and red. Some squares contain geometric shapes like circles and triangles, creating a complex, abstract pattern. The word "rosslyn" is written in white lowercase letters in the top left corner.

rosslyn

Taking your data to the next level

With you every step of the way

Rosslyn Data Technologies plc
Annual Report and Accounts 2023

We are **Rosslyn**

At Rosslyn, we wrap our arms and minds around spend data. Then comes the big reveal — truths that make procurement decisions a whole lot easier and insights that change business for the better.

Our purpose

Rosslyn automates critical business processes and analytics, helping organisations with complex supply chains manage and understand data from multiple sources to improve the quality of their decision-making. Through its partnership approach, Rosslyn's team of technologists, data scientists, business consultants and industry specialists help customers piece together the insight from all their data sources, allowing them to concentrate on making real decisions and extracting genuine value.

Growth and execution

Having completed a company transformation and business model reset in the year under review, which is already delivering improvement across the Company's KPIs, Rosslyn is now poised for accelerated growth. This is against a market backdrop that is driving greater demand for the spend intelligence solutions that Rosslyn offers.

► Read more about the accelerators of growth **on pages 8 to 9**



Data diligence.

Our diligence is the difference.

Nowadays, gathering data is simple. Our difference is doing the really hard part. Taking data from everywhere and piecing a story together. Pinpointing an insight that points users in the right direction. Helping them make real decisions for procurement excellence.

Innovation.

Innovation that never settles.

The procurement space has been our home for over 15 years now. And instead of getting comfortable, we've continued asking "What if?" At Rosslyn, we're restless innovators who continue pushing boundaries and finding better ways to extract truth out of complex data.

Partnership.

More than a platform - a partnership.

Yes, we have artificial intelligence and automated workflows. But we also have heart and soul. At our core, we're a people company working hand-in-hand with our clients to find solutions to their unique business challenges.

Contents

Highlights

- Improvement in all KPIs
- New Rosslyn platform launched
- Re-brand completed
- Six new contracts won – including three via partners
- Successful generative AI proof of concept
- Value-accretive disposals of non-core subsidiaries
- Increase in total and weighted pipeline
- Fundraising of £3.32m post period

ARR

£2.4m

2022: £2.2m

Adj. EBITDA

£(2.0)m

2022: £(3.6)m

Revenue

£3.0m

2022: £2.7m

Gross margin

34.7%

2022: 16.6%

- ▶ Read more about our KPIs on pages 14 to 16

“

Generative AI is poised to disrupt the marketplace by enabling procurement teams to gain real-time insight... We have taken significant steps towards embedding this technology into our platform and we are very excited about its potential.

Paul Watts
CHIEF EXECUTIVE OFFICER

- ▶ Read more on pages 6 to 7

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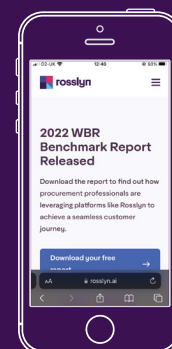
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Find out more

For the latest news and information on our Company visit us online.

- ▶ www.rosslyn.ai

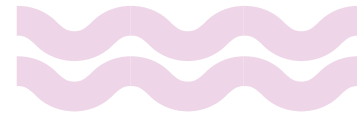


Chairman's statement



“
We commenced the year focusing on completing the transformation that we had begun in 2022 and, after putting the final pieces in place, we turned our attention to execution.”

JAMES APPLEBY
 Chairman



We executed on our strategy and we focused on looking after our customers and our people while also exploring the exciting opportunities that are being offered up by artificial intelligence (“AI”).

A fundamental element of our strategy was to restructure the business to bring it back to its core strengths – to focus on where we really excel and what we are best known for, which is spend analytics. This involved the disposal of our Integritie and Langdon Systems subsidiaries, which had limited crossover with our primary business in terms of customer base or strategic rationale. We were pleased to complete the sale of both businesses during the year, which generated a profit of £2.3m. Alongside this, we launched our upgraded platform, which is better designed to meet our customers’ needs, and we implemented a modernisation of our brand to bring it in line with our strategic focus on a core, SaaS platform.

We executed on our new, partner-led, go-to-market strategy this year by securing our first contracts from Chain IQ Group AG (“Chain IQ”). As a leading global procurement service provider to a blue-chip client base, Chain IQ is an excellent partner for Rosslyn and we are already servicing two multinational corporations through this partnership.

At the same time, while completing a significant transition, we also focused on ensuring that we took care of our customers. As Stacey Duff, our Director of Customer Success, describes later in this annual report, we have undertaken significant work over the last 18 months to establish a new team and new processes that enable us to significantly strengthen the relationships that we have with our customers and the service that we provide them. This enables us to improve client retention as well as facilitate the sale of additional services.

Alongside this, during the year we began implementing some of the recommendations of our newly-established Customer Advisory Board, including incorporating a broader range of data – covering supply chain risk, sustainability and diversity – into the analytics to complement the supplier spend data.

Having undertaken a restructuring of our core team, we set about creating a culture of a high energy, high growth software business. To assist in this, we created a new position – Head of Culture – whose role is to embed our new brand values into our day-to-day operations. As a responsible employer, we have introduced several wellbeing initiatives to support our staff.

Another key development during the year, and subsequently, was our exploration of the opportunities surrounding artificial intelligence. Whilst AI is not something new to Rosslyn, what has changed is the emergence of generative AI, which has tremendous potential for procurement analytics. At Rosslyn, we are already leaders in automation technology – such as in data extraction – and generative AI takes this a step further by transforming the data classification process. By automatically classifying data, generative AI can significantly reduce time to insight as well as incorporate data that might otherwise have been unclassified. We conducted a successful proof of concept using generative AI, which started during the year and completed shortly after, and we are now preparing to launch our first module into the market, which we are very excited about.

We are pleased to have completed a fundraising, post year end, that will help us continue to develop our product, including being able to capitalise on the innovation opportunities surrounding AI as well as providing us with a pathway to profitability through working capital. On behalf of the Board, I would like to thank our existing shareholders who contributed to the fundraising and welcome our new shareholders who have joined the register. I would also like to express my gratitude to our executive team and fellow Board members who have led us through this transformation and to our employees for their support and commitment throughout the process. Finally, I would like to extend special thanks to Barney Quinn, who retired from the Board last month. Over the past nine years, he has made a significant contribution to Rosslyn, which has culminated in the successes that we are now achieving. We wish him the very best for the future.

While it is still early days in the roll-out of our refocused strategy, we are encouraged by the advancement that we have made to date and we are excited about the pending launch of our generative AI module later this year. Accordingly, we remain confident in our prospects and our ability to generate shareholder value and we look forward to reporting on our progress.

James Appleby

Chairman
30 October 2023

Generative AI proof of concept

Why

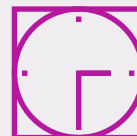
- Procurement teams struggle with **classification** of their data
- Typically, classification doesn't exist within an ERP so an additional data layer is required
- **Tribal knowledge** is embedded in the procurement team, but difficult to extract
- Data sets can be enormous and it's not **scalable** to rely on people

Scope

- **Four clients** participated in our POC from multiple industries, procuring from across the globe
- **4,000 random transactions** were used – including multiple languages, source systems and quality
- Invoice and purchase order descriptions, supplier names, material groups etc were used
- GPT was prompted to **automatically classify data** against client bespoke taxonomies

Results

- **81%** of transactions by count were classified accurately
- This climbs to **96%** when assessed by value
- **Time to insight is drastically reduced**
- Unclassified data may no longer be a problem
- POC exceeded expectations
- Rosslyn is now developing a **module to be launched in 2024**



Dec 2022
GPT 3.5 released



Feb 2023
POC scope finalised



Mar 2023
Client data extracted



Apr 2023
POC running



May 2023
POC complete & results validated



Jun+ 2023
Module development underway



2024
Launch of new module

Our business

The foundations of our model...

Employees

We have a highly skilled talent base of over 40 staff as at 30 October, including an operational leadership team drawn from the B2B SaaS enterprise software space, who are fundamental to maintaining the strength of our platform, driving our business forward and implementing our renewed strategy. The experience across our organisation from working with spend data for over 15 years combined with a leadership team with success in growing businesses give us a unique value proposition.

Technological assets

Our proprietary platform and the IP on which it is based, as well as the 15+ years invested in its development, are fundamental to our offering and our ability to service our customers. The strength of our data extraction capabilities and the high level of process automation are competitive advantages, particularly in being able to provide customers with real-time visibility, while the depth of our architecture means we are well-positioned to be able to adapt our platform to address emerging requirements and leverage technological advances, such as generative AI.

Partners

Our partners – in terms of business process outsourcing (“BPO”) and procurement advisory companies – are key to our growth strategy, which includes a partner-led go-to-market approach. While it is still relatively early days in the implementation of our renewed strategy, our partners have already made notable contributions, accounting for half of the new contracts won during 2023, and are an important element of our model.

Technology providers

A crucial element of the strength of our service provision is the third-party technology being leveraged across the Rosslyn platform. The integration of our platform with client-side data sources drives our extraction capabilities while our enrichment of client's data involves connecting it with third-party data. We have also recently been working closely with teams from Microsoft's Azure OpenAI as we embed generative AI into our solution.

Financial

Having raised £3.3m in September 2023, we have the solid financial footing to be able to execute on our strategy and, we believe, to become cash flow positive, which will allow us to invest to support and grow our business for the long term.

Enable us to deliver...

A procurement analytics platform that standardises customers' data and delivers insights to enable them to make informed decisions regarding their supply chain and spend that save money, increase efficiency and reduce risk.

Our highly automated software seamlessly extracts, analyses and enriches procurement data to reveal real-time business critical insights via an intuitive user interface. The single source of truth that Rosslyn provides by bringing this data together, enables our clients to leverage data to drive ESG initiatives, risk management and overall procurement strategy improvements.

We licence our software to customers to give them access, via a web interface, to our platform. Our customers primarily pay a fixed, recurring annual licence fee based on the number of input data sources/ systems and frequency of refreshing the data on the platform. We generate a small proportion of revenue from the provision of professional services to assist customers with configuring or implementing our software.

Our strategy

1. Focus on partner-led sales

- Increasing the number of business process outsourcing (BPO) partners
- Enhancing partnerships with procurement advisers – large global consulting partners

2. Sales & marketing to lead on customer advocacy

- Leverage branded customer base and substantial data points

To our customers...

Who are primarily large, blue-chip organisations, both public and private bodies, who operate globally and are headquartered in the UK, elsewhere in Europe and the USA. Our customers are in multiple sectors, particularly medical & pharmaceutical, transport & aerospace, professional services and food & beverage. Increasingly, we also sell to partners who service the end customer.

Our platform is used primarily by our customers' procurement departments. Following the launch of the new platform, with improved collaboration functions, it is also used by other stakeholders within an organisation, such as individuals involved in risk management, finance and sustainability.

And create value for our stakeholders...

Customers

We provide our customers with access to a market-leading platform that supports them in reducing costs and risk and increasing efficiency within their supply chain and procurement activities. The data we bring together is also beginning to help them meet their ESG goals and better manage risks within their supply chains. For our BPO customers or procurement advisory partners, we have the ability to decrease the time-to-value and give them access to data that influence larger procurement transformation projects, enabling them to offer a better service to their customers.

Employees

We create a dynamic and rewarding environment for our employees, supporting their career development and providing opportunities for growth within the business.

Investors

We aim to deliver a sustainable business model and generate returns for our shareholders.

Society

The service that we provide to our clients generates broader societal value such as through supporting ESG initiatives; contributing to recovery from economic disruption thereby raising earnings; and helping with surety of supply of consumer goods and services.

3. Expansion with existing customers

- Through release of new modules
- Enhancing Customer Success function

4. Transitioning to larger customers

- Focus on sales to customers with larger spend

5. Leveraging emerging offerings – innovation opportunity

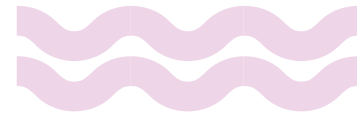
- Utilising generative AI to automate data categorisation
- Increasing data sources to allow for greater enrichment of data
- Road map: utilising machine learning for predictive analytics
- Road map: creating additional value from data by offering community benchmarking

CEO's review



“
Our success during the year is reflected in the improvement in all of our key performance indicators for the year ended 30 April 2023.

PAUL WATTS
Chief Executive Officer



It has been an incredibly busy year for Rosslyn. We have transformed our business, renewed our strategy and established the foundations for strong sustainable growth.

More specifically, during 2023, we launched our new Rosslyn platform and migrated our customers; re-branded to reflect our strategic focus on a single product comprising a best-in-class SaaS solution; divested two businesses that were not core to this vision; strengthened our customer success function; and increased our business development activities, resulting in securing six new contracts during the year and a further two post year end. Importantly, as testament to the strength of our offer, these new contracts are to serve multinational, blue-chip companies with complex data requirements and operating in mission-critical industries. Our success during the year is reflected in the improvement in all of our key performance indicators for the year ended 30 April 2023. In addition, while we exited the year with a lower cash position than when we started – albeit having achieved a significant reduction in cash burn – it was bolstered post year end with our £3.32m fundraising.

A further key development that commenced during the year, and which has continued subsequently, is our exploration of the tremendous opportunities offered by next-generation artificial intelligence.

Generative AI is poised to disrupt the marketplace by enabling procurement teams to gain real-time insight. As described below, we have taken significant steps towards embedding this technology into our platform and we are very excited about its potential as are our customers.

Our platform

In the first half of 2023, we launched a new, upgraded Rosslyn platform, which has been designed to ensure that our customers are able to extract maximum value from our solution. The new platform delivers a simplified, more intuitive interface and streamlined navigation, making it easier for users to quickly gather the insight they need. The collaboration functions have been improved to facilitate the sharing of dashboards and reports with key stakeholders across a business. There is also a closer integration between data and visualisation, including features such as enabling specialist teams within customer organisations to have their own tailored view of procurement data.

The migration of customers to the new platform was substantially complete by mid-year and we have received strong customer – as well as partner and industry analyst – endorsement. Our data suggests that users are spending more time on the platform and that customers are growing the number of internal users.

Innovation opportunity

Alongside launching our new platform, we continued our broader development activities. As a technology business, constant innovation is vital.

As we have said previously, a key focus is incorporating data sets that relate to ESG to enable our customers to take such factors into account in procurement decisions – from both a risk management and ethical business perspective. We already have customers utilising our platform for this purpose and we are continuing to improve our aggregation and analytical capabilities in this respect to support greater sales of this module.

However, what we are most excited about is the potential offered by the technological advances in artificial intelligence – namely, generative AI. By harnessing the capabilities of generative AI, process automation can be transformed, which is crucial for addressing the increasing demand for real-time procurement insight. In the past, procurement analytics was largely regarded as a one-off or occasional standalone project focused on identifying cost savings in the supply chain. Today, however, customers want real-time insight to enable dynamic decision-making and risk mitigation – a trend that has been greatly accelerated by the global supply chain challenges during the COVID-19 pandemic and resulting from the Russia-Ukraine conflict. The expansion of procurement considerations to include factors related to ESG also requires continuous data aggregation and analytics to ensure suppliers continue to meet a customers' criteria.

The provision of real-time insight can only be achieved through process automation. Rosslyn is well-positioned here as our platform has been built with automation at its core. We have taken an automation-first approach throughout its development.

Indeed, the strength of our automated extraction capabilities has been one of our competitive differentiators for many years.

We are now taking this capability even further by embedding generative AI into our platform. Before it can be analysed, procurement data – which is extracted from numerous sources that have different naming conventions (taxonomies) – needs to be classified into a standard taxonomy. This has previously been a predominantly manual task conducted by the procurement team, with consequent limitations on speed and scale as well as the risk of human error. We are now utilising AI to generate the categorisations and classifications of the data thereby automating the process. This significantly increases accuracy, shortens the time to insight and expands the volume of data that can be incorporated.

During the year, we commenced a proof of concept (“POC”) of this technology with four of our largest customers from different industries and who procure internationally. The results of the POC, which concluded post year end, exceeded our expectations. We are now focusing on further developing and refining this technology and we expect the module to go live with our first customer within the new financial year. We already have a number of additional customers eagerly awaiting its launch.

This is an extremely exciting development for Rosslyn. Artificial intelligence, namely generative AI and machine learning, is poised to disrupt the marketplace – both in terms of addressing the current demand for real-time insight and, moving forward, offering predictive analytics to enable procurement teams to be aware of developments before they happen. While this opportunity will likely endure longer sales cycles, Rosslyn is well-placed to establish a leadership position in this new market thanks to the depth of our technology stack, which has been built on an automation-first basis; our vast experience from operating in the industry for over 15 years; and from being custodians of a large volume of complex supply chain data.

Partner-led go-to-market approach

We continued to make progress in our renewed go-to-market approach centred on a partner model, with half of the new contracts won during the year being via partners as well as accounting for a significant proportion of our pipeline.

We are actively seeking to increase our number of Business Process Outsourcing (“BPO”) partners. Two of these BPO partners currently are Genpact, which has more than 320 global clients and manages spend of \$78bn, and Chain IQ, which has more than 60 clients in over 49 countries, both of which offer significant potential for growth. We are also enhancing partnerships with procurement advisers and other large, global consulting partners with complex enterprise requirements.

Customer success

Alongside enhancing our platform and go-to-market approach, a key focus during the year was strengthening our customer success function. Over the last 18 months, we have expanded the team and introduced new processes to gain a better understanding of our customers’ business and ongoing procurement requirements. This enables us to anticipate their demands and make recommendations to ensure that they extract maximum value from our platform, which improves customer retention, as well as allowing us to cross-sell or up-sell additional modules where relevant.

Our brand

This year we launched our new brand, following a major re-branding initiative that commenced in the previous year. The project aimed to refresh Rosslyn’s appearance, making it more engaging for today’s market and aligning it with the new direction of the business. In particular, we are now branded simply as ‘Rosslyn’ to reflect the strategic focus on a core SaaS platform.

The rebrand has brought great results both in terms of interaction with the Rosslyn brand, as measured by metrics such as web traffic, and in terms of the generation of new opportunities.

Culture

This year we have also focused on embedding our brand into our culture, and ensuring that we are acting in accordance with our values. To support us in achieving this, we have appointed an Office and Culture Coordinator and have introduced several new initiatives, such as to support the wellbeing of our employees and of our communities. Our gender diversity agenda has progressed well over the last 12 months with 45% of our total workforce being female, including 40% of our senior leadership, which is above average for the technology industry.

Divestment

As part of our strategy to refocus on our core product offering, we decided to divest all non-core businesses – namely, Integritie, which is a content management platform, and Langdon, which specialises in bulk handling of supply chain data associated with import and export duty management systems. Accordingly, Integritie was sold for a total maximum consideration of £3.0m, comprising an initial cash consideration of £1.6m and a £1.4m conditional deferred payment based on achieving certain revenue and growth targets, with management estimating the fair value of the deferred payment to be £nil based on currently available information and Langdon was sold for £100k. These divestments enable greater strategic and operational focus on the Rosslyn platform along with reducing cash burn.

Current trading & Outlook

Rosslyn entered the 2024 financial year in a stronger position than at the same point in the previous year, having completed the restructuring and rebranding of the business along with the launch of the new platform and execution on the new go-to-market strategy. Accordingly, the weighted and total pipeline were significantly higher at £1.1m and £3.6m, respectively (30 April 2022: £0.9m and £2.7m).

During the first half of FY 2024, we have secured two new contract wins worth £422k in aggregate over a multi-year period representing an additional £120k of ARR. We are in advanced negotiation with several other customers within the weighted pipeline while the total pipeline has grown substantially during H1 2024, which primarily reflects increasing business through our partnerships. In addition, our position has been further strengthened by our recent fundraising, which has established the foundations for us to accelerate our growth.

We remain on track to report results for 2024 in line with management expectations. This reflects strong revenue and ARR growth driven by new customers won via our partnerships as well as expansion with existing customers through the launch of new modules, including our eagerly anticipated generative AI solution. As a result, we are excited about the year ahead and we continue to look to the future with confidence.

Paul Watts
Chief Executive Officer
30 October 2023

Accelerators of growth

There are several global factors that are driving demand for advanced procurement analytics solutions and the sustained growth and expansion of this market.

These factors are leading to the increased adoption of such solutions as well as their greater utilisation by existing customers.

Macro-economic instability and challenges

The COVID-19 pandemic, Russia-Ukraine war and Brexit caused substantial global supply chain disruption as well as inflation. This has driven demand for the cost savings and efficiencies offered by procurement analytics solutions.

Further, it has spearheaded the demand for real-time analytics – compared with spend analytics being addressed as a one-off exercise – to enable agile decision-making and reduce supply chain risk. This requires the adoption of advanced procurement analytics solutions, such as Roslyn's platform, and increases the frequency of use of such solutions.

Increasing volume of data and expanded metrics

The volume of procurement data is growing. As organisations increasingly undergo digital transformation, the amount of source data available over different systems expands. Alongside this, organisations are now taking ESG factors – namely, sustainability and diversity – into consideration when analysing spend, which could be driven by their customer or regulation. This further expands the data to be processed. In addition, the use of procurement analytics is broadening as these tools are no longer being used purely by procurement teams, but also by finance, risk and governance functions.

Technological development

The emergence of new, advanced technologies has enabled the development of procurement analytics solutions to encompass greater capabilities. In particular, generative AI is set to transform procurement analytics – primarily through being able to automate the data classification process, which is central to being able to provide real-time analytics.

Backdrop of underinvestment in procurement technology

These driving and enabling factors are set against a backdrop of underinvestment in procurement technology. Procurement analytics has been addressed as a one-off project run by procurement departments with large consulting organisations. Accordingly, organisations have not invested in technological infrastructure that is able to automatically extract, classify and analyse data that is sat across different systems, geographies, currencies and source formats. To be able to satisfy the demands of today, organisations will be required to adopt new, advanced procurement solutions.



Why Rosslyn is well-positioned

Rosslyn is well-positioned to benefit from these trends and establish a leadership position in the market.

- 1. Deep technology architecture:**
 the foundation of our platform is its deep technological architecture, which provides the flexibility for us to incorporate new developments without needing to re-build or start from scratch.
- 2. Scalable platform:**
 our platform and SaaS-based model are highly scalable and able to cater for the increase in demand and exponential expansion in data.
- 3. In-house capability and experience:**
 our 15+ years' experience in spend analytics combined with in-house technical capability and a leadership team with a track record of growing businesses means we have the expertise to address the evolving demands and leverage the opportunities.
- 4. Custodians of data:**
 as custodians of a large volume of complex supply chain data, we have an ideal sandbox for developing new solutions.
- 5. Automation-first approach:**
 automation is already embedded within our platform and is a key strength of Rosslyn, which provides a strong base for taking this further by adopting new, advanced technologies to enable the provision of real-time intelligence.
- 6. Generative AI:**
 we have conducted a successful proof of concept to incorporate generative AI into our platform and are developing the full module, which is receiving great interest from our customers, that we expect to launch in 2024.
- 7. Platform designed for integration:**
 the user interface of our new platform is specifically designed to easily allow customisation and use by different teams within an organisation, which is already being implemented by our customers.

Delivering customer success

With you every step of the way

In conversation with Stacey Duff

Director of Customer Success

Q. What does 'customer success' mean to Rosslyn?

A. Customer success is a relatively new concept in the SaaS industry. It's about maximising customer satisfaction to drive retention, renewal and referral rates by ensuring buyers achieve their desired outcome from using a product. For us, it's taking account management to the next level by working with our customers to identify their goals and make sure they are using our platform as effectively and efficiently as possible. Likewise, we are adding value beyond simply supplying the Rosslyn product by getting to know our customers and their industries so we can provide a truly tailored offering that proactively offers improvements or solutions and anticipates their needs.

Q. What do you aim to provide to customers?

A. We know that return on investment in our platform is a key consideration for our customers, and the Customer Success team aims to demonstrate the value of working with Rosslyn by helping customers achieve success with our product. We want to become trusted advisers to our customers. By getting to know each customer individually at an in-depth level we generate this trust. We are heavily involved in the onboarding process, enabling us to establish strong relationships with customers from the start – learning their KPIs, challenges they face and where they are in their journeys.



We get to know where the customer wants to be, and we can suggest additional products/levels of service they should be using to get there. It's not just a sales pitch and customers appreciate that. In fact, customers will often come to us asking about utilising a new Rosslyn offering: they know that we have their best interests in mind, and turn to us for advice and support.

Q. How have you advanced Customer Success during the year?

A. Our journey to build customer success at Rosslyn into what it is today started approximately 18 months ago. During 2023 and since then, we have built a team that holds over three decades' collective experience in customer success. We have evolved customer success from a largely process-driven, reactive offering into one that prioritises relationship building with customers and understanding what is happening with them and within their industry to establish a conversation to ensure they are getting what they want from the platform and also to work with them to drive continuous improvement. Equally, over this time, we have seen the world change – with regards to ESG, the Russia-Ukraine war and so forth. It's no longer just about savings but about where your supply chain is coming from and what it's doing. Working with our customers to address these requirements and explore how our platform can better support them has become a key area.

Q. How does Customer Success strengthen Rosslyn?

A. Firstly, by helping customers derive the utmost value from the Rosslyn platform and generate ROI, as well as by becoming a trusted adviser. Customer Success improves customer retention and simplifies the contract renewal process as our customers can clearly see the benefits of working with us.

With a thorough understanding of our customers, their journey, their goals and their industries, we are able to proactively recommend solutions or improvements, which could involve an upsell or cross sell. Outside of directly supporting revenue generation, Customer Success is key in driving customer advocacy – that is, our customers recommending us to their peers or allowing us to leverage their endorsement. This is something that we are currently very focused on increasing.

A further key function is supporting product development through the intimate knowledge that we have of our customers, our relationship with them and being able to provide a feedback loop. During the year, we were able to recommend customers for our generative AI proof of concept, which we are very excited about, and engage them in the process to garner maximum success for the customer and for Rosslyn. Indeed, we are being pushed by customers most days about when this module will be launched and when they can get it! Another important feedback element at the moment is surrounding ESG. At present, some of our customers use the Rosslyn tool as an ESG data source and then process the data elsewhere so we are working with them to find out what they are doing with this data and feeding this back to our product team so that we can explore how to be able to provide this intelligence within the Rosslyn platform. This collaborative approach between customer success and product development is relatively novel for our industry and will, we believe, drive even further success for Rosslyn.



Our ability to extract and see the right data at the right time is business-critical. By working with Rosslyn, we found a partner who worked with us to identify our specific requirements and tailor their best-of-breed solution to meet our needs.

Kendall Smith
CHIEF PROCUREMENT OFFICER,
CURRYS



Rosslyn's Spend Analytics Platform has been a game-changer for Sony. The Extract Studio and its data refresh capabilities enables us to gain visibility on spend, uncover valuable insights on savings opportunities, and efficiently hit KPIs, such as reducing supplier count. It's a vital asset to our procurement success.

John Jordan
HEAD OF STRATEGY AND PLANNING,
CORPORATE PROCUREMENT EUROPE,
SONY

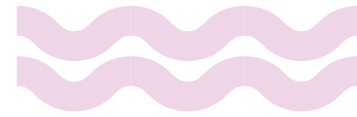
▶ Visit our website www.rosslyn.ai to find out more on what our clients have to say.

CFO's review



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Revenue for the year increased to £3.0m (2022: £2.7m) as we began to rebuild our business following a period of restructuring.

ED RIDDELL
 Chief Financial Officer



While it remains early days in the implementation of our renewed strategy, with our new platform being launched part-way through the year, we are pleased to report improvement in all financial metrics in 2023 over the previous year with the exception of our cash position, which we significantly strengthened post year end with the completion of a fundraising. We also significantly reduced our cash burn rate during the year.

Discontinued operations

Integritie and Langdon have been classed as discontinued operations for the year and historical comparisons have been restated on that basis. These financial statements comprise the results for continuing operations only. See note 25 to the financial statements for detail on the discontinued operations.

Revenue

Revenue for the year increased to £3.0m (2022: £2.7m) as we began to rebuild our business following a period of restructuring. Of the total revenue, £2.4m was annually recurring revenue (“ARR”), representing growth of 9% over the £2.2m of ARR in 2022.

Our revenue comprises the annual licence fee – software revenue – we charge customers for having access to our platform and professional services fees for work undertaken to tailor our solution to align with customers’ infrastructure or meet specific additional solution requirements. Software revenue continued to be the main contributor to total revenue, accounting for 80% in FY 2023. However, this was lower than the previous year of 80%, reflecting an increase in professional services revenue to £0.6m (2022: £0.3m) and software revenue remaining flat at £2.4m (2022: £2.4m). The growth in professional services revenue reflects us increasing our pricing to appropriate market levels for such services as well as greater activity in this area as we supported the onboarding of new customers.

In total, net revenue retention rate grew to 90% (2022: 83%). This increase reflects the launch of the new Rosslyn platform and the improvements to our Customer Success function during the year.

Gross profit

Gross margin improved significantly to 34.7% (2022: 16.6%), reflecting a reduction in cost of sales as a result of increased efficiencies within a leaner team.

In particular, software gross margin was stable due to the fixed cost base for hosting and platform costs. However, we will benefit from economies of scale as we grow our software revenue. Our professional services margin improved as a result of the increase in pricing and having a leaner team.

As a result of the improved gross margin combined with the higher revenue, gross profit more than doubled to £1.0m compared with £0.5m for 2022.

Operating expenses

Operating costs were reduced to £3.8m (2022: £4.5m). This primarily reflects administrative expenses being lower at £3.4m (2022: £4.3m), as we placed a strong focus on cost reduction, and partly offset by an increase in depreciation and amortisation to £366k (2022: £40k) due to the capitalisation of development costs relating to the new platform.

Profitability measures

As a result of the lower expenses, operating loss was reduced to £2.8m (2022: £4.0m loss) and adjusted EBITDA loss was reduced to £2.0m (2022: £3.6m loss).

The loss before tax for the year was reduced to £2.8m (2022: £4.1m loss). We received £664k (2022: £391k) in R&D tax credits. As a result, net loss for the year for continuing operations was reduced to £2.1m (2022: £3.7m loss).

In addition, we generated profit of £2.5m (2022: £297k) from discontinued operations, which included profit of £2.3m from the disposals (with a further payment expected to be received based on the 12-month post-disposal performance of Integrite). Accordingly, total comprehensive income (based on continuing and discontinued operations) was £400k (2022: £3.3m loss).

Cash flow and liquidity

Net cash used in operating activities was £2.7m (2022: £2.1m), which reflects an increase in cash used in operations to £2.7m (2022: £2.2m) as a result of the timing of payables and receivables at the year end.

We generated net cash of £971k from investing activities compared with £1.1m of cash being used in investing activities for the previous year. This reflects £1.5m of cash being generated from the disposals as well as an investment of £1.1m in software in the previous year.

Net cash generated from financing activities was £27k (2022: £1.0m outflow). This primarily reflects Rosslyn entering an unsecured loan during the year of £160k, of which £64k was repaid during the year, and the repayment in 2022 of our secured loan of £890k.

Monthly cash burn during the year was £205k compared with £266k in 2022, reflecting the reduction in administrative expenses and increase in professional services revenue.

Accordingly, there was a net decrease in cash and cash equivalents of £1.7m compared with a net decrease of £4.3m in 2022.

Cash and cash equivalents at 30 April 2023 were £767k (2022: £2.4m). Our cash position was significantly strengthened post year end with the raising of £3.3m via the issue of new ordinary shares (£2.7m) and convertible loan notes (£0.6m). We have also received, post year end, an R&D tax credit of £612k.

Balance sheet

As at 30 April 2023, we had net assets and total equity of £1.9m compared with £1.4m at 30 April 2022. The main movements in the balance sheet during the year were:

- the decrease in cash and cash equivalents, as described above, partly offset by an increase in corporation tax receivable, resulting in current assets of £2.6m (30 April 2022: £3.4m);
- assets held for sale of £nil (30 April 2022: £0.7m);
- total assets reducing to £4.1m (30 April 2022: £5.4m) due to the above; and
- liabilities directly associated with assets held for sale of £nil compared with £1.5m at 30 April 2022, resulting in total liabilities being reduced to £2.2m (30 April 2022: £4.0m).

Ed Riddell

Chief Financial Officer
30 October 2023



Key performance indicators

The Board has chosen the following Key Performance Indicators (“KPIs”) for measuring progress as the metrics that are best suited for a high-growth, SaaS-based business. They are designed not only to provide a measure of our progress externally, but also to help drive the business internally.

The following KPIs have been presented for the Company’s continuing operations.

Annual Recurring Revenue +8%

£2.4m



Description

ARR is the sum of ongoing average annual licence revenue for all customers as of the measurement date, with ARR for each customer being their annual contracted value to Rosslyn.

Why it is a KPI

It measures the amount of revenue that is contractually repeatable, representing the base on which to build with new revenue.

Commentary

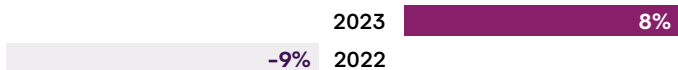
ARR increased as the Company gained new customers and expanded with existing customers.

Link to risk

- 1
- 4
- 6
- 8

Annual Recurring Revenue Growth +170bps

8%



Description

ARR growth rate is the change in the sum of ARR for all customers as of the measurement date, with ARR for each customer being their annual contracted value to Rosslyn.

Why it is a KPI

A key metric for SaaS businesses that aids in measuring business growth and calculating customer churn.

Commentary

ARR returned to growth following a period of churn in the previous year.

Link to risk

- 4
- 6
- 8

Weighted Pipeline +26%

£1.1m



Description

The Company’s ARR pipeline that is at the Sales Qualified Lead (SQL) stage or later in the sales process, having been at least qualified in an initial meeting as having budget, authority, need and to be expected to close in an appropriate timeframe.

Why it is a KPI

Pipeline is a critical measurement to the ongoing growth of the business. By weighting the pipeline based on an opportunity reaching a certain stage of the sales cycle, an indicator of nearer-term conversion is provided.

Commentary

Weighted pipeline grew as the Company rolled out its new strategy and as pipeline that was converted to contract was replaced with new opportunities.

Link to risk

- 1
- 6
- 8

Risk key

- 1 Liquidity
- 2 Data security

- 3 Dependence on key executives and technical personnel
- 4 Customer risk

- 5 Reliance on key systems and business continuity
- 6 Competition risk
- 7 Technical change

- 8 Product risk
- 9 Political, economic and legislative risks

Total Pipeline **+33%**

£3.6m



Description

The measurement of ARR of all sales opportunities at the different stages of the sales cycle.

Why it is a KPI

Total pipeline offers insight into the ongoing growth of the business and indicates the success of gaining opportunities even if they do not subsequently progress.

Commentary

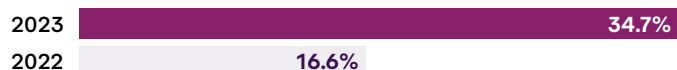
Total pipeline grew as the Company rolled out its new strategy and as pipeline that was converted to contract was replaced with new opportunities.

Link to risk

1 6 8

Gross Margin **+1,810bps**

34.7%



Description

The difference between the selling price of Rosslyn's services and the direct costs of providing those services to the customer, as a percentage.

Why it is a KPI

An indicator of the amount of profit available to cover overheads and ultimately pass to the owners.

Commentary

Significant improvement as the Company increased revenue with a leaner team, albeit still below the Company's target gross margin with further improvement expected as the Company benefits from revenue growth and a large number of fixed costs.

Link to risk

1 4 6 9

Customer Acquisition Cost (CAC) Payback **-47%**

65 months



Description

The average time it takes for a customer to generate sufficient margin to pay back the cost to Rosslyn of acquiring the customer.

Why it is a KPI

It measures how effectively Rosslyn is at recovering cost of acquiring a new customer and assists in understanding the break-even point of customer acquisition.

Commentary

The improvement reflects the expansion of the revenue base, but the number remains high as gross margin is below the required level. CAC payback will improve as the gross margin increases.

Link to risk

1 4

Net Revenue Retention **+70bps**

90%



Description

The percentage of recurring revenue retained from existing customers entering the year.

Why it is a KPI

It provides a comprehensive view of positive as well as negative changes with respect to the existing customer base.

Commentary

The improvement reflects the progress that the Company is making with its new strategy, while the level remains below 100% as the Company is rebuilding its customer base with churn continuing to be experienced during the year, particularly in the first half.

Link to risk

1 4 6 8

Risk key

- 1 Liquidity
- 2 Data security
- 3 Dependence on key executives and technical personnel
- 4 Customer risk
- 5 Reliance on key systems and business continuity
- 6 Competition risk
- 7 Technical change
- 8 Product risk
- 9 Political, economic and legislative risks

Key performance indicators continued

Cash burn rate -26%

£(0.20)m

£(0.20)m per month 2023

£(0.27)m per month 2022

Description

The amount of cash spent/used over time, and an indication of negative cash flow.

Why it is a KPI

The Company's rate of cash burn provides a measure of financial strength and self-sufficiency to support operations while the business is at the pre-profit stage.

Commentary

The improvement reflects the Company's strong focus on cost reduction.

Link to risk

1 3 9

Adjusted EBITDA -44%

£(2.0)m

£(2.0)m 2023

£(3.6)m 2022

Description

This is the EBITDA for the year adjusted for share-based payments and exceptional costs.

Why it is a KPI

It provides an indicator of how efficiently the Company operates and how much of its earnings are attributed to operations by removing certain conditions that are not related to operating performance.

Commentary

The improvement reflects the increase in revenue and gross margin.

Link to risk

1 4 6 8

Risk key

1 Liquidity

2 Data security

3 Dependence on key executives and technical personnel

4 Customer risk

5 Reliance on key systems and business continuity

6 Competition risk

7 Technical change

8 Product risk

9 Political, economic and legislative risks




Risk management and principal risks

Managing our risks effectively

In common with any business, the Company can be subjected to a variety of risks in the conduct of its normal business operations that could have a material impact on the Company's long-term performance. The Board is responsible for determining the level and nature of risk that is felt to be appropriate in delivering the Company's objectives and for implementing an appropriate Company risk management framework.




The Board routinely monitors risks that could materially adversely affect the ability of the Company to achieve its strategic goals and to maintain financial stability, assisted by senior management. The Company seeks to mitigate exposure to all forms of risk where practical and to transfer risk to insurers where cost effective. In this respect the Company maintains a range of insurance policies against major identified insurable risks, including (but not limited to) business interruption, cyber security and employment risks.




The risks outlined below are those that the Board considers to be material to the Company.

Risk	Description	Mitigation	Change
1 Liquidity	The Company's ability to operate is dependent on it having sufficient financial resources to be able to meet its payment obligations when they fall due or to be able to do so without incurring excessive cost.	Post year end, the Company raised £3.32m to support working capital, which the Board believes will provide sufficient funding to enable the Company to reach a cash generative position. The finance team closely monitor and manage cash flow. Further detail on the Company's financial risk management can be found in note 22 to the financial statements.	
2 Data security	<p>The Company handles large volumes of client data from multiple data centres around the world. In spend analysis alone, the Company actively manages information from c. 3.4 million suppliers covering nearly £1.4 trillion total under management.</p> <p>Confidentiality, integrity and accessibility of this data is a top priority.</p> <p>The number of global security breaches reported is on the increase as cyber- attacks become ever more sophisticated, automated and state-sponsored.</p>	<p>The Company's leadership team is responsible for ensuring that all policies, procedures and standards are maintained, that software is developed in line with current best practice, and that the Company's security policies, processes, controls and insurances evolve as risks do. This not only includes cyber security but also the management of data protection (including GDPR and similar legislation in the UK and USA) and is independently audited to the ISO 27001 global standard.</p> <p>To ensure its levels of data security, for clients' data as well as its own, remain as effective as possible, daily vulnerability scans are undertaken as well as regular penetration testing exercises. These external security tasks complement the implementation of the security stack offered within the Microsoft Azure platform.</p>	
3 Dependence on key executives and technical personnel	The Company's future success depends on its senior management, senior sales and marketing executives and key technical staff. The Company has entered into contractual agreements with these staff members but their continued employment cannot be guaranteed. Failure to retain these staff members may adversely affect the performance and profitability of the Company. It is possible that key staff members may join competitors or establish competitor businesses in their own right.	<p>The Company has identified the key resources and implemented a plan to develop and retain talent, which is reviewed on a monthly basis. In addition to financial incentives (bonus, commission schemes and share options), the plan also supports career progression and growth.</p> <p>The Company continues to invest in its HR processes to ensure good recruitment and onboarding of new employees. Ongoing training is provided to develop staff to ensure they are well equipped to deliver their evolving roles. The Company's financial plans for the coming year include additional recruitment in key areas to reduce key person risk.</p>	

Risk management and principal risks

continued

Risk	Description	Mitigation	Change
4 Customer risk	The Company invests in functions and processes to service customers in an appropriate manner, with a view to achieving high customer retention rates. The expansion of the Company may place strains upon these functions and processes. There can be no guarantee that the Company will be able to win new customers and achieve high retention rates.	<p>The Board recognises that customer care and retention is a very important attribute to businesses in the service sector. To support its expansion, the Company has increased capacity within the Customer Success function, which it expects will reduce this risk level going forward.</p> <p>Clients are supported by the Customer Success team and engagement is enhanced through the Customer Advisory Board that was established last year.</p> <p>The Board regards customer satisfaction and low churn as important success signals.</p> <p>Nevertheless, some client turnover can be expected for reasons that do not necessarily reflect poor service. Change of control of a customer, as an example, may give rise to different supplier choices.</p>	
5 Reliance on key systems and business continuity	The Company's reliance on certain key systems and technologies for its continuing operations exposes it to significant risk as the systems are vulnerable to interruption and damage. The interruption and damage of the Company's systems and/or employees' ability to perform their functions may be due to events beyond the control of the Company; these events include, but are not limited to, natural disasters, pandemics, telecommunications failures, power losses, computer viruses and terrorist attacks. Downtime arising from such events may have a material detrimental effect upon the Company's performance and profitability.	<p>The Company maintains disaster recovery plans and undertakes regular security procedures (see 'Data Security' above). These are designed to allow the business to function properly against many foreseeable events.</p> <p>The Company has a resilient IT infrastructure and has adopted a remote-first approach to working, which enables employees to continue to support clients without disruption to client service such as in the event of being required to work remotely.</p> <p>However, certain events are beyond the management's ability to build cost-effective solutions (for example acts of terrorism and total loss of the internet) and cyber risk continues to be an evolving threat to all businesses in a way that cannot be entirely eliminated (but which the Company has taken action to mitigate as described above).</p> <p>Management recognises the Company's exposure to key systems and seeks to minimise its risk on a cost-realistic basis by means of technology and policy controls, training, testing and appropriate insurances.</p>	
6 Competition risk	The sector in which the Company operates is competitive and there can be no certainty that the Company will be able to achieve the market penetration it seeks. There can be no guarantee that the Company's current competitors or new entrants to the market will not bring superior technologies, products or services to the market. The possibility of similar products and services at a lower price may also be offered to the market. Any of these events may have an adverse effect on the Company.	The Company sees a competitive market environment as an opportunity as much as a threat. Investment in people, systems and product consolidation represents the best defence in a competitive marketplace and the Board continues to invest in all these areas. The Board has also made excellent progress on its partner-led go-to-market strategy, which enhances the Company's competitive position by being able to leverage the established relationships of its partners with the end customer.	

Risk	Description	Mitigation	Change
<p>7 Technical change</p>	<p>The Company is involved in the provision of software services. The software industry is in the process of continuous change and development, reflecting technical developments and changing customer requirements. These changes may adversely impact the Company's prospects.</p>	<p>The Company continues to invest significant resources into R&D. Its Customer Forums and industry contacts provide key insights to enable the Company to future proof its offering. The Board believes that constantly evolving the product offering best protects the Company against technological change.</p> <p>The Company has continued to invest in the new, upgraded Rosslyn Platform that was launched during the year. In particular, the Company is conducting R&D into leveraging emerging offerings, such as using artificial intelligence, which the Directors believe are set to disrupt the marketplace – but in which the Company has an opportunity to establish a leadership position.</p>	
<p>8 Product risk</p>	<p>The Company supplies sophisticated and complex computer software to its customers. These products, when first introduced or enhanced, may contain undetected defects that may fail to meet customers' performance expectations or requirements. Such failures may damage the Company's reputation and lead to an adverse effect on the Company's business and financial performance.</p>	<p>Products and new releases are rolled out to the market, after extensive testing using well-documented testing protocols, in a progressive manner. The Company seeks to release fully functional products but the nature of software includes a risk of unidentified bugs existing in the system. The Company is capable of rolling back to previous versions of software if absolutely necessary.</p> <p>Since launching the new Rosslyn Platform, the Company has received excellent feedback from customers – whom are expanding their usage within their organisations, which reflects the strength of our core product.</p>	
<p>9 Political, economic and legislative risks</p>	<p>The Company may be adversely impacted by developments in the political, economic, global and regulatory environment in which the Company operates. Such risks include, but are not limited to, expropriation, nationalisation, inflation, deflation, changes in interest rates, changes in tax rates and regimes and currency exchange controls. A general deterioration in the economic climate in any of the markets in which the Company operates may impact the demand for the Company's products and services.</p> <p>Such changes in demand may cause an adverse impact on the Company's performance. It is not always possible to foresee the impact of legislative or regulatory change. These changes may also have an adverse impact on the Company's financial performance.</p>	<p>The Company operates in a diverse range of markets, which offers some regional diversification, but many macroeconomic factors and legislative events are beyond the control of the Board.</p> <p>The global nature of the Company's customer base and the ability to move the technology stack from one country to another, whilst already operating from different global data centres within the Microsoft Azure Cloud, enable the Company to continue to trade unhindered.</p>	


Our approach to sustainability

At Rosslyn, we are committed to operating our business in a way that makes the world a better place, by positively impacting our customers, partners, employees and the wider community. We strive to meaningfully engage with all our stakeholders to identify aspects of our business most relevant to each, which enables us to build our sustainability framework around them.

Our business is built to drive sustainability. By having visibility of the entire supply chain, we assist our customers in making decisions to reduce waste and enhance their operational efficiency to support the longevity of their business. Increasingly, our customers are also specifically using our platform to help them meet their ESG targets and monitor adherence to social and environmental standards through the supply chain.

UN SDGs

Rosslyn is dedicated to leveraging our innovative technology in processing and analysing data to build a more sustainable future in line with the United Nations Sustainable Development Goals (SDGs). We are working to help achieve:

SDG	Contribution
	<ul style="list-style-type: none"> • Equal pay and equal opportunity to all our employees • Encouraging use of our services for tracking and eliminating inequality
	<ul style="list-style-type: none"> • Building business resilience through efficient supply chain management
	<ul style="list-style-type: none"> • Reducing waste through optimised and well-tracked procurement • Tracking scope 3 emissions through upstream supply chain

Environmental

Our operations

We aim to weave sustainability into everything that we do. As a software business, we are inherently a low-waste company, however we are committed to reducing our environmental footprint where possible. We are a paperless business and recently delivered a laptop upgrade across the Company to ensure that we operate using the most energy efficient devices.

We have reduced our office footprint by adopting a remote-first approach and closing certain office locations and the associated data centres in those areas. All Rosslyn data centres have now been moved to Azure hosting, which reduces our own energy consumption and footprint. In addition, Azure has its own ambitious sustainability targets, including utilising 100% renewable energy by 2025. Our new London office was selected partly based on ESG credentials.

We encourage the use of public transport for all client and business travel. Customer training is also delivered remotely with all documentation available online.

Our customers

We have moved all customers away from on-premise servers to cloud computing, which reduces our customers' energy consumption and related carbon emissions. As noted above, we selected Azure as our hosting partner. We believe that this offers our customers an ESG supply chain assurance to help meet their own targets.

Our product strategy is to advance our ability to bring together data that provide our customers with insights and intelligence to drive their ESG initiatives. We already have a customer that selected our platform specifically for this purpose.

Social

Our people

Our business starts with data, but at the heart of operations are our people. As part of our commitment to creating a positive work environment for our employees, we appointed a dedicated Office and Culture Coordinator last year and introduced a roster of initiatives to boost wellbeing. We are also dedicated to supporting the career development of our staff, through corporate events and external training courses. We continue to celebrate the achievements of our people through the Recognition Rewards programme, which gives employees the opportunity to nominate colleagues who they believe have gone above or beyond in helping them or a customer.

Rosslyn is committed to diversity and inclusion, which is reflected in our hiring policy. We are proud that 45% of our employees are female, which is higher than is typical in the technology sector. We are committed to ensuring that equal opportunities are accorded to all of our employees for training, career growth and advancement irrespective of age, gender identity, ethnic origin, sexual orientation or any other status.

It is Rosslyn's policy to involve employees in the progress, development and performance of the Company, holding a number of briefings during the year to keep staff informed of developments, financial performance and technical changes.

A selection of our employee wellbeing initiatives include:

- Me Time – employees are given two hours off and £50 to use on something they consider self-care, whether that be a spa treatment, a lunch, or anything that enables them to relax and focus on themselves
- Perkbox – an online rewards and benefits platform that provides access to a wellness centre, confidential 24/7 counselling support and monthly flexi points for employees to spend on perks of their choice
- Team building activities – we promote employee engagement and fun in the workplace by encouraging staff to interact with teams they do not work with on a daily basis

- Recognition awards – line managers have the opportunity to nominate an employee to receive a Perkbox voucher to make sure everyone feels valued and appreciated

Our customers

Over the past 18 months, and as Stacey Duff, our Director of Customer Success, discusses on pages 10 to 11, we have significantly strengthened our customer engagement. In this way, we have increased the level of support that we provide to our customers and the service that we deliver. We also utilise our Customer Advisory Board, which was established towards the end of 2022, as a feedback mechanism to ensure that we are meeting customers' demands and requirements.

Charity and community

Our commitment to making the world a better place extends towards the wider community, and we encourage and support employees to participate in charitable events and volunteering initiatives, both individually and on behalf of the Company. In 2023, approximately 32% of our workforce participated in such events.

Some of our charitable initiatives this year included:

- Marwell Zoo – we organised a day assisting their landscape team and donated £500
- The Conservation Volunteers – we provided a day of park maintenance at Alexandra Palace
- KidsOut – continuation of annual partnership where staff buy Christmas gifts for disadvantaged children
- Sponsored step challenge – Rosslyn sponsored staff with proceeds donated to Cancer Research
- Individual volunteering sessions – including assisting at a coffee morning at local library to provide warm space and company for those in need in the local community and charity events at a local school

Governance

Rosslyn has an established corporate governance structure in place and engages with all stakeholders to achieve the highest operational standards possible and foster a diverse, inclusive workplace. We believe in ethical conduct and the Board of Directors is responsible for ensuring the Company has appropriate governance practises in place and is accountable to shareholders for performance in this area.

The Company is certified under ISO 9001:2015 – the International Organisation for Standardization's accreditation for Quality Management Systems with which our policies run hand-in-hand, and are as follows:

- Complaints Policy
- Corporate Social Responsibility
- Modern Slavery Policy
- Privacy Policy
- Anti-bribery and anti-corruption practises

The Board follows the Quoted Companies Alliance Corporate Governance Code, and the Board and Audit Committee monitor the Company's compliance.

The Board is also responsible for the Company's systems of internal controls and, together with the Audit Committee, reviewing those systems, which it does with regards to the Company's Code of Conduct, which sets out the minimum standards that all employees and representatives of the Company are expected to meet. Further details on the Company's corporate governance function can be found in the Corporate Governance Report on pages 24 to 27.

Directors and senior management



PAUL WATTS

Chief Executive Officer

Paul is a 30-year veteran of the enterprise software industry, who has held executive leadership roles in North America, EMEA and Asia-Pacific. His primary expertise is in the design and implementation of go-to-market transformation initiatives centred around the customer experience. Paul has recent experience covering a variety of emerging technologies, including robotic process automation and intelligent automation, as well as a broad spectrum of vertical market knowledge.

Paul is passionate about employee welfare and, as such, is a non-executive director at GoVida, an early-stage start-up with an online platform for employee wellness and health improvement.

Skills and experience

Paul brings a strategic playbook to cover functional execution across customer success, digital marketing, sales execution, value-engineering and customer advocacy, along with an international outlook to business, having lived and worked in the USA, Japan, Asia and Europe.



JAMES APPLEBY

Chairman of the Board

James has over 30 years' experience in the technology industry. He joined the Board of Rosslyn in 2018 and became Chairman in 2019. James is also Chairman of Avantra, a private equity backed AIOps software company, and bike.rent, a B2B SaaS company that automates in-store rental. He is a non-executive director of PSKinetic, a process automation consulting company that was acquired by VASS in 2023, and mentors the CEO of an AI Robotics company.

Prior to his non-executive career, James worked as an engineer and then a consultant. In 2002, he founded Bluefin Solutions, and as CEO grew it to approximately 250 people and generating £30m in revenue with offices in the UK, Asia and the USA. In 2015, it was acquired by Mindtree.

James has a Master of Arts in Engineering from Cambridge University.

Skills and experience

James' experience in building and growing an IT business over many years is very relevant to Rosslyn's ambitions, as are his industry connections. These are supplemented by his leadership skills and his background in building successful cultures and mentoring management teams.

Committee Membership



GINNY WARR

Non-Executive Director

Ginny is head of procurement at The British Land Company plc. She is a seasoned chief procurement officer bringing over 35 years' experience in both public and private sector roles. Prior to joining British Land, Ginny was instrumental in Vodafone's global expansion programme having specific responsibility for procurement transformation and alignment across Europe and Africa.

Skills and experience

Ginny is an influential and experienced procurement leader, with a proven track record of delivering sustainable business benefits in challenging environments. Having operated at executive level to deliver procurement best practice, her experience and domain insights are a valuable addition to the Company as it develops its product offering and markets. Ginny is an advocate and leader in the inclusion of equal opportunities for all abilities, recognised most recently through British Land being the first Real Estate company to be awarded the BDF Business Disability Smart Accreditation.

Committee Membership





ED RIDDELL
Chief Financial Officer*

Ed has over 13 years’ experience leading and developing finance departments in high growth businesses with a focus on technology.

Ed started his career at Ernst & Young where he trained in Audit and Assurance. In 2009, he moved into industry and his roles have included heading up finance teams at tech companies like CorporatePay a fintech payments business that was acquired by WEX Europe, at WEX Europe post the acquisition, and Acin a Financial Services risk control software business as well as at non-financial businesses as a Finance Director and on the Board of Directors of AIM-listed Bonhill Group PLC a media and events business and at Vollebak a high-tech men’s clothing brand.

Skills and experience

Ed has a breadth of experience leading, developing, and transforming finance functions. His financial acumen is complemented by his expertise in strategic business development and operational management which he has used to support a number of SME businesses scale and reach profitability.

* Non-board position

Committee key

- Audit Committee
- Remuneration Committee
- Chair
- Member



Corporate Governance report

The Board is committed to effective corporate governance. The Board sees the principles of good governance not just as a set of guidelines, but as a real basis for making Rosslyn a better business with strong internal controls that deliver long-term value and meets stakeholder expectations around leadership and oversight.

Corporate governance framework

The Board is responsible to shareholders and provides leadership and direction to the Company and meets regularly to monitor the current state of business and to determine its future strategic direction. The strategic direction and goals of the Company are set within the risk tolerances and control mechanisms the Board believes are appropriate.

Day-to-day management of the Company is delegated to the Chief Executive Officer and senior management team, subject to formal delegated authority limits; however, certain matters are reserved for whole Board approval. These matters are reviewed periodically and include Board and Committee composition, strategy, funding decisions and corporate transactions among others.

The roles of Chairman and Chief Executive Officer are separate. The Chairman provides leadership to the Board and is responsible for the Board's overall effectiveness including by agreeing the agenda for Board meetings, ensuring that the Directors receive the information that they need to participate in Board meetings, and that the Board has sufficient time to discuss issues on the agenda, especially those relating to strategy and governance. The Chief Executive Officer is responsible for the day-to-day leadership of Rosslyn, the management team and its employees. The Chief Executive Officer is responsible, in conjunction with senior management, for the execution of the Company's strategy approved by the Board and the implementation of Board decisions and for achieving the Company's strategic and commercial objectives.

The Board is collectively responsible for the long-term success of the Company. Its principal role is to provide leadership within a framework of prudent and effective controls, which enables risk to be assessed and managed. The Board considers the management team's strategic proposals and, following a rigorous review, determines strategy and ensures that the necessary resources are in place for the management team to execute against that strategy.

The Board has two Committees, each with defined terms of reference. They are the Audit Committee and the Remuneration Committee.

Board composition

At the end of the financial year, the Board comprised one Executive and three Non-Executive Directors. Since year end, Barney Quinn retired from the Board, having served as a Director for nine years, in line with corporate governance best practice. All the Directors bring a broad and valuable range of skills and experience to the Company. Their biographical details are set out on page 22. The Board intends for the Chief Financial Officer to join the Board, which would bring the Board composition to two Executive and two Non-Executive Directors, which the Board believes to be an appropriate mix of skills and roles to act in the best interests of shareholders and stakeholders.

The Directors who served during the year ended 30 April 2023 and up to the signing of this annual report (unless otherwise stated) are as follows:

- James Appleby, Non-Executive Chairman
- Paul Watts, Executive Director and Chief Executive Officer
- Ginny Warr, Non-Executive Director
- Barney Quinn, Senior Independent Director (retired 30 September 2023)

Board and Committee meetings

The Board meets regularly, monthly where possible, but in any event holds no fewer than 10 meetings each year. In addition to the scheduled meetings, informal discussions with Directors and senior operational managers of the Company in relation to strategic business development and other topics important to the Company's progress are held by members of the Board regularly. The Board and its Committees are provided with information ahead of meetings to give time for review and analysis. For each Board meeting an agenda is prepared and approved by the Chairman and followed. The Board maintains an ongoing list of matters arising from the Board meetings, which are then followed up at subsequent meetings to ensure that matters and decisions are being implemented. The Board assesses the relevance and effectiveness of its Corporate Governance Framework each year.

During the year to 30 April 2023, the Board met 14 times. The following table shows the attendance of the relevant Directors at the Board and Committee meetings during the year.

Meeting attendance

	Board (scheduled)	Audit Committee	Remuneration Committee
Executive Director			
Paul Watts	14/14	–	1*
Non-Executive Directors			
James Appleby, Chairman	14/14	2/2	3/3
Ginny Warr	14/14	–	–
Barney Quinn	14/14	2/2	3/3

* Paul Watts attended one meeting of the Remuneration Committee by invitation. Ed Riddell, Chief Financial Officer, also attended that meeting

Ed Riddell, Chief Financial Officer, attended the 2023 meetings of the Board by invitation as well as the meeting of the Audit Committee and one meeting of the Remuneration Committee.

Board effectiveness and evaluation

The performance of the Board is assessed by the Chairman. This assessment includes, but is not limited to, the appropriate level of skill of Board members, the conduct of Board meetings, the decision-making process and the effectiveness of the various Board Committees.

The Board is of the opinion that each of its members has the skills, knowledge, aptitude and experience to perform the functions required of a director of a listed company. The Board comprises Executive and Non-Executive Directors who are all of a high calibre and who enable a well-functioning Board. As noted above, the Directors intend to appoint another Executive Director, which is expected to enhance the effectiveness of the Board by providing more balance between executive and non-executive roles.

Directors are required to commit sufficient time to their role to appropriately discharge their duties. All Directors are offered regular training to develop their knowledge and ensure they stay up to date on matters for which they have responsibility as a Board member. The Directors all have access to independent advice, if required, in respect of their duties from a variety of professional advisers.

Board independence

The Board has considered the independence of all Non-Executive Directors and considers that all Non-Executive Directors bring an independent judgement to bear, notwithstanding the varying lengths of service.

Board Committees

The Board has two Committees, with clearly defined terms of reference. The membership of these Committees and their duties are set out below.

Audit Committee

The Audit Committee is chaired by Ginny Warr, with James Appleby being the other permanent member of this Committee. During the year under review, Barney Quinn (who retired from the Board since year end) was a member and Chairman of the Committee, with James Appleby being its other member. Other Directors are co-opted onto the Committee on an ad hoc basis as necessary. The Committee is expected to meet at least twice a year. The main responsibilities of the Audit Committee are monitoring the integrity of the Company's financial systems and statements; reviewing significant reporting issues; and reviewing the effectiveness of the Company's internal control and risk management systems.

The Committee is also responsible for overseeing the relationship with the external auditor (including advising on its appointment, agreeing the scope of the audit and reviewing the audit findings). The Committee meets with the external auditor, without the Executive Board members present, at least once a year.

Remuneration Committee

The Remuneration Committee is chaired by Ginny Warr, with James Appleby being the other permanent member of this Committee. During the year under review, Barney Quinn (who retired from the Board since year end) was a member and Chairman of the Committee, with James Appleby being its other member. Other Directors are co-opted onto the Committee on an ad hoc basis. The Committee is expected to meet at least twice a year.

The responsibilities of the Committee include determining the remuneration of the Chairman, the Executive Director(s) and other Senior Executives. As part of this role the Committee is responsible for setting the framework for any bonus, incentive or share option schemes. The remuneration of the Non-Executive Directors is agreed between the Chairman and the Executive Director(s). None of the Executive Directors were present at meetings of the Committee during consideration of their own remuneration.

Corporate Governance report continued

Investor relations

The Chief Executive Officer and Chief Financial Officer meet with institutional shareholders of the Company after the interim and annual results announcements and on an as needed basis at other times in the year to update shareholders on the progress of the Company. The Chairman speaks with institutional shareholders on a regular basis and as required.

All of the Directors attend the Annual General Meeting and encourage the participation of all shareholders, including private shareholders. The annual report and accounts and the interim results are designed to give a detailed review of the business and developments, and are published on the Company's website, www.rosslyn.ai, where they can be accessed by shareholders and potential investors.

Environmental, social and corporate responsibilities

The Company is committed to sustainable progress in all aspects of its business – for the environment, customers, suppliers and communities we operate in. The Company's stakeholders include shareholders, members of staff, customers, suppliers, regulators, industry bodies and creditors. The Board promotes the highest level of behaviour and ethics, and understands the importance of establishing a corporate culture that promotes the wellbeing of employees and the business as a whole. The principal ways in which the Company gathers the feedback of stakeholders are meetings, direct conversations, email and social media. Further detail on how the Company addresses its environmental, social and corporate responsibilities can be found in the 'Our approach to sustainability' section on pages 20 to 21.

Internal control and risk management

The Board is responsible for the Company's systems of internal controls and, together with the Audit Committee, reviewing those systems. The systems put in place are designed to manage, limit and control risk but cannot eliminate all risk completely.

The Executive Director and Chief Financial Officer of the Company are actively involved in the daily management of the operations of the Company. Business risks are regularly identified and appropriate control systems are implemented to manage those risks.

The Company has quality assurance processes in place for the development and delivery of software. The main operating company, Rosslyn Analytics Limited, is ISO 9001:2015 certified, which covers quality management, and ISO 27001:2013, which covers information security management.

The Company's internal financial control procedures and monitoring systems include:

- an annual budgetary process to set appropriate measurable targets for monitoring Company progress;
- financial policies and approval processes to ensure proper authorisation is obtained for spending;
- segregation of duties within financial management;
- maintenance of proper records for the production of accurate and timely financial information; and
- detailed monthly reporting to the Board against the operating budget and analysis of cash management.

Corporate governance code

The Board has adopted the Quoted Companies Alliance Corporate Governance Code ("QCA Code"). The Board believes the pragmatic, principles-based approach to corporate governance set out in the QCA Code is a good fit to the nature, stage and size of the Rosslyn business.

The table below shows on which page information relating to how the Company complies with each of the ten principles can be found:

No.	Principle	Disclosure in the 2023 annual report
1	Establish a strategy and business model which promotes long-term value for shareholders	pages 4 to 5
2	Seek to understand and meet shareholder needs and expectations	pages 24 to 27
3	Take into account wider stakeholder and social responsibilities, and their implications for long-term success	pages 20 to 21
4	Embed effective risk management, considering both opportunities and threats, throughout the organisation	pages 17 to 19
5	Maintain the Board as a well-functioning, balanced team led by the Chairman	pages 24 to 27
6	Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities	pages 22 to 23
7	Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	pages 24 to 27
8	Promote a corporate culture that is based on ethical values and behaviours	pages 20 to 21
9	Maintain governance structures and processes that are fit for purpose and support good decision making by the Board	pages 24 to 27
10	Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	pages 24 to 27

Statement by the Directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

Section 172 of the Companies Act 2006 requires each Director of the Company to act in the way they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole. In this way, s172 requires a Director to have regard, amongst other matters, to the: likely consequences of any decisions in the long term; interests of the Company's employees; need to foster the Company's business relationships with suppliers, customers and other material stakeholders; impact of the Company's operations on local communities and the environment; desirability of the Company maintaining a reputation for high standards of business conduct; and need to act fairly between members of the Company.

In discharging its s172 duties, the Board has considered the factors set out above and the views of key stakeholders, which consist of: shareholders, members of staff, customers, suppliers, regulators, industry bodies and creditors.

The Board consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year ended 30 April 2023.

The table below sets out the factors to which the Board should have regard when performing their duty under s172 and points to other disclosures within this report that are relevant to each factor:

Section 172 Factor:	Further information:
(a) The likely consequences of any decision in the long term	Our business – pages 4 to 5 CEO's review – pages 6 to 7 CFO's review and KPIs – pages 12 to 16
(b) The interests of the company's employees	Our approach to sustainability – pages 20 to 21 Directors' report – pages 33 to 35
(c) The need to foster the company's business relationships with suppliers, customers and others	Our business – pages 4 to 5 Delivering customer success – pages 10 to 11 CEO's review – pages 6 to 7
(d) The impact of the company's operations on the community and the environment	Our approach to sustainability – pages 20 to 21
(e) The desirability of the company maintaining a reputation for high standards of business conduct	Our approach to sustainability – pages 20 to 21 Corporate Governance report – pages 24 to 27 Audit Committee report – pages 28 to 29
(f) The need to act fairly as between members of the company	Annual General Meeting – page 35

James Appleby

Chairman

30 October 2023

Audit Committee report

Introduction

I am pleased to present the Audit Committee's report for 2023. I trust that this report will provide you with an insight into our work, the matters handled and the focus of the Audit Committee's deliberations during the year.

Committee members and meetings

The members of the Audit Committee during the year were Barney Quinn, who chaired the Committee, and James Appleby. Other Directors or the Finance Director are co-opted onto the Committee on an ad hoc basis as necessary.

Following year end, on 30 September 2023, Barney Quinn retired from the Board, in line with corporate governance best practice, after serving for nine years. At the same time, Ginny Warr was appointed to the Committee and became Chair, with James Appleby remaining its other member of the Committee.

The Audit Committee is expected to meet at least twice a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required. The Committee meets with the external auditor, without the Executive Board members present, at least once a year. The Committee met twice during the year, and all members were present.

Governance and effectiveness

Outside of the formal meeting programme, the Chair of the Audit Committee and, as appropriate, other Committee members, maintain a dialogue with key individuals involved in the Company's governance, including the Chairman of the Board (who is a member of the Committee), the Chief Executive, the Chief Financial Officer and the external audit lead partner.

The Committee undertakes its duties in accordance with its terms of reference.

Responsibilities and activities

The Audit Committee's responsibility is to ensure that financial information published by the Company properly presents its activities to stakeholders in a way that is fair, balanced and understandable. The Audit Committee oversees the effective delivery of audit services, including making recommendations to the Board on the appointment of auditors, agreeing the scope of the audit and reviewing the audit findings. In addition, the Committee is responsible for monitoring the integrity of the Company's financial systems and reviewing the effectiveness of the Company's internal control systems, business risk management, and arrangements for whistleblowing and related compliance issues.

In its advisory capacity, the Audit Committee has confirmed to the Board that, based on its review of the Annual Report and financial statements and internal controls that support the disclosures, the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable, and provide necessary information for shareholders to assess the Company's position and performance, its business model and strategy.

During the year, the Audit Committee's activities included:

- Examining the annual report and financial statements for the year to 30 April 2022 and the half-year report for the six months to 31 October 2022 and discussing them with management and the external auditor to assess whether the reports, taken as a whole, were fair, balanced and understandable prior to recommending these to the Board for approval.
- Reviewing and challenging areas of significant risks and judgement and the level of disclosure.
- Monitoring auditor effectiveness and independence.
- Reviewing the effectiveness of the Company's internal controls and risk management.

Significant judgements

The significant matters that the Audit Committee considered, and upon which made certain estimates and judgements, are set out in the 'Judgements and estimates' section of note 2 to the financial statements. In particular, there was significant discussion and review regarding cash flow management and the Company's ability to operate as a going concern and judgements made thereon.

Risk management and internal controls

In supporting the Board in maintaining an effective internal control environment, the Audit Committee keeps under review the Company's internal financial control systems and other internal control and risk management systems; reviews the methodology for reporting risk to the Board; sets triggers for reporting and escalation of significant emerging risks; reviews the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters; and reviews the Company's procedures for detecting fraud and preventing bribery and receive reports on non-compliance. During 2023, there were no reports of whistleblowing, bribery, corruption or fraud.

Further details of the Company's financial risk management are set out under note 22 to the financial statements.

Internal audit

At present, the Company does not have an internal audit function. The Audit Committee believes that, owing to the Company's size, management is able to derive assurance as to the adequacy and effectiveness of internal controls and risk management procedures without an internal audit function. However, the Audit Committee will keep under review the need for an internal audit function as the business develops.

External auditor and independence

CLA Evelyn Partners Limited, formerly known as Nexia Smith & Williamson, were appointed as external auditor in March 2021 following a competitive tender process. The auditor confirmed its independence as auditor of the Company through written confirmation to the Company, and the Committee monitors the relationship to ensure that auditor effectiveness, independence and objectivity are maintained.

The auditor has expressed their willingness to continue in office as auditor. A resolution to reappoint CLA Evelyn Partners Limited as the Company's auditor is being proposed at the Company's next Annual General Meeting.

A summary of fees paid to the external auditor is set out in note 6 to the financial statements.

Ginny War

Chair of the Audit Committee

30 October 2023

Remuneration Committee report

Introduction

This report outlines the Company's remuneration policy for its Directors and shows how that policy was applied during the financial year ended 30 April 2023. This section of the annual report has been prepared on a voluntary basis and in order to fulfil the relevant requirements of Rule 19 of the AIM Rules for Companies.

Committee members and meetings

Membership and the responsibilities of this Committee are set out below. During the year under review, the Committee was chaired by Barney Quinn, with James Appleby being the other member of the Committee. Other Directors are invited to participate in Committee deliberations as required, but are not involved in decisions affecting their own remuneration.

The Committee met on three occasions during the year, and all members were in attendance.

Following year end, on 30 September 2023, Barney Quinn retired from the Board, in line with corporate governance best practice, after serving for nine years. At the same time, Ginny Warr was appointed to the Committee and became Chair, with James Appleby remaining the other member of the Committee.

Committee responsibilities

The responsibilities of the Committee include determining the remuneration of the Chairman, the Executive Directors and other Senior Executives. As part of this role, the Committee is responsible for setting the framework for any bonus, incentive or share option schemes. The remuneration of the Non-Executive Directors is agreed between the Chairman and the Executive Directors. None of the Executive Directors were present at meetings of the Committee during consideration of their own remuneration.

Activities during the year

During the year, the Committee undertook the following activities at its meetings:

- review of Executive remuneration strategy and policy;
- consideration of bonuses to the Executive Directors;
- review of proposed grants of share options under the Rosslyn 2014 Share Option Program; and
- commencing a review (which concluded post year end) of the Rosslyn 2014 Share Option Program to assess whether it remained fit for purpose.

Remuneration policy for Executive Directors

The objective of the remuneration policy is to ensure that the overall remuneration of the Executive Directors is designed to attract, retain and motivate them to generate performance aligned to creating sustainable shareholder value, within acceptable risk tolerances.

In the year under review, the Executive Director's total remuneration package comprised:

- fixed pay, including base salary and pension contributions; and
- variable pay and access to the share option schemes.

Directors' remuneration (audited)

The table below sets out the remuneration of the Directors during the year.

	Salary £'000	Bonus £'000	Benefits £'000	Pension £'000	2023 Total £'000	2022 Total £'000
Executive Director						
Paul Watts	180		1	18	199	199
Non-Executive Directors						
James Appleby, Chairman	50	—	—	—	50	62
Ginny Warr	30	—	—	—	30	30
Barney Quinn	30	—	—	—	30	30

The above table does not include the value of share options held by the Directors, details of which are set out below.

Share options

Details of options over the Company's shares that have been granted to Directors during the year and which were outstanding as at year end are as follows:

Director	Shares under option at 30 April 2023			Exercised	Granted	Lapsed	No. of shares under option at 30 April 2022
	No. of options	Weighted exercise price					
Paul Watts	16,106,748	3.72p	—	5,000,000	—	—	11,106,748
Barney Quinn*	1,777,778	5.62p	—	—	—	—	1,777,778

* Barney Quinn retired from the Board on 30 September 2023 and his options lapsed at that date

The options granted to Paul Watts during the year (on 14 December 2022 – the “First Grant Date”) were to vest on the first anniversary of the First Grant Date; expire 10 years from the First Grant Date; and were exercisable at 0.99p per share, representing the average mid-market closing price of the Company's shares on AIM over the 30 days preceding the First Grant Date, subject to him remaining an employee of the Company.

The Company has a policy of not granting share options to Non-Executive Directors for the performance of their duties as Directors of the Company. The share options granted to Barney Quinn were granted as a one-off grant related to an acquisition made in 2017, and they lapsed upon his retirement from the Board post year end.

Rosslyn Data Technologies PLC EMI Share Option Scheme (the “EMI Scheme”)

The Board recognises the importance of share options to appropriately incentivise and retain employees as well as to ensure their interests are aligned with that of the Company and its shareholders. During the year, the Remuneration Committee commenced a review, which completed post year end, to assess whether the Rosslyn 2014 Share Option Program and the options that had been awarded thereunder remain fit for purpose. Following this review of employee incentives, the Remuneration Committee recommended to the Board that, given the reduction in the Company's share price and the changes in the share capital following the Company's fundraising and share consolidation, the existing awards of share options were no longer a reasonable incentive and should be replaced to realign the option scheme with the current share price and share capital. The Board of Directors approved this recommendation and the EMI Scheme was recommended to shareholders for approval, which was granted at the general meeting of the Company on 18 September 2023. Under the EMI Scheme, the Company is authorised to issue both tax advantaged enterprise management incentive options and non-tax advantaged options, and is able to issue and allot options representing up to 15% of the Company's issued share capital.

Following approval being granted by shareholders of the EMI Scheme, the Company cancelled a total of 525,846 options (“Historic Options”) (which also followed the Company implementing a 50:1 share consolidation) that had been granted under the Rosslyn 2014 Share Option Program, with the holders of the Historic Options agreeing to their surrender and cancellation. Concurrently, on 29 September 2023 (the “Grant Date”), the Company granted a total of 1,871,833 options (the “New Options”), a portion of which are to replace the Historic Options alongside the grant of options to new holders, under the EMI Scheme. This included the cancellation of all Historic Options held by Paul Watts and the grant of new options as detailed below.

Accordingly, as at the date of this report, the following options were held by Directors of the Company:

Director	No. of options	Exercise price	Vesting period and expiry	Conditions of vesting and exercise
Paul Watts	882,964	25.0p	<ul style="list-style-type: none"> ▪ Vest one third on each of the first, second and third anniversaries of the Grant Date ▪ Expire 10 years from the Grant Date 	<ul style="list-style-type: none"> ▪ Vesting subject to the satisfaction of performance criteria related to increases in share price and the achievement of targets related to ARR, revenue and EBITDA ▪ Remain exercisable subject to remaining an employee of the Company

The exercise price of Paul Watts' new options represents the price at which the new ordinary shares were issued in the Company's post year end fundraising adjusted for the share consolidation.

As at the date of this report, the Company has options outstanding over a total of 1,939,549 ordinary shares, representing 11.0% of the current issued share capital of the Company.

Remuneration Committee report continued

Directors' interests

The interests of the Directors over the ordinary shares of the Company are as follows:

Director	As at the date of this report*		30 April 2023		30 April 2022	
	Number of shares held	Percentage of issued ordinary share capital	Number of shares held	Percentage of issued ordinary share capital	Number of shares held	Percentage of issued ordinary share capital
James Appleby	550,909	3.12%	6,545,454	1.93%	6,545,454	1.93%
Barney Quinn	N/A**	N/A**	1,034,595	0.30%	1,034,595	0.30%
Paul Watts	—	—	—	—	—	—
Ginny Warr	—	—	—	—	—	—

* This follows a 50:1 share consolidation on 19 September 2023

** Barney Quinn retired from the Board on 30 September 2023

Approved by the Board and signed on its behalf by:

Ginny Warr

Chair of the Remuneration Committee

30 October 2023

Directors' report

The Directors present their report and audited consolidated financial statements for the year ended 30 April 2023.

Principal activity

The principal activity of the Company (which for the Strategic Report and Corporate Governance sections of this annual report incorporates the activities of the Group subsidiaries) for the year under review was the provision of a procurement analytics solution via a cloud-based software as a service platform that incorporates data analytics software, data capture, data mining and workflow management.

Financial results

Details of the Company's financial results are set out in the consolidated statement of comprehensive income and other components of the financial statements on pages 41 to 44.

Business and strategic review

The review of the Company's business operations, including key performance indicators and principal risks and uncertainties, are set out in the Strategic Report section on pages 1 to 21 with this Directors' report.

Dividends

The Directors do not recommend the payment of a dividend for the year ended 30 April 2023 (2022: £nil).

Directors

The Directors who served during the year ended 30 April 2023 and up to the signing of this annual report (unless otherwise stated) are as follows:

- James Appleby, Non-Executive Chairman
- Paul Watts, Executive Director and Chief Executive Officer
- Ginny Warr, Non-Executive Director
- Barney Quinn, Non-Executive Director (retired effective 30 September 2023)

Directors' indemnities

A directors' and officers' insurance policy has been put in place to indemnify the Directors against legal actions by third parties.

Significant shareholders

As at the date of approval of this Directors' report, to the best of the Company's knowledge, the following shareholders had a significant interest in the Company's issued share capital:

Name	Number of shares	% of issued share capital
Canaccord Genuity Wealth Management	4,380,000	24.80
Octopus Investments	3,886,000	22.01
First Equity Ltd	1,250,000	7.08
Gresham House Asset Management Ltd	1,065,500	6.03
Rathbones Investment Management	1,048,413	5.94
Amati AIM VCT plc	705,493	3.99
James Appleby	550,909	3.12

Directors' remuneration and interests

Details of the Directors' remuneration and interests in the ordinary shares of the Company are set out in the Remuneration Committee report on pages 30 to 32.

Subsequent events

The material post balance sheet events can be found in note 26 to the financial statements. In particular, this includes raising gross proceeds of £3.32m through a placing, subscription and retail offer, alongside the issue of convertible loan notes, resulting in the issuance of a total of 543,101,200 new ordinary shares.

Corporate governance

A review of the Company's corporate governance is provided in the Corporate Governance Report on pages 24 to 27.

Directors' report continued

Employees

It is the Company's policy to involve employees in its progress, development and performance. During the year a series of briefings took place to keep employees informed of developments, financial performance and technical changes. The Company is committed to ensuring that equal opportunities are accorded to all its employees irrespective of age, gender and nationality in respect of training, career development and advancement.

Research and development activities

Key to the Company's strategy is the development of its owned software products: as such, the Company is committed to actively investing in the continued research and development of its software (SaaS) services platform to ensure that the Company remains at the forefront of the procurement analytics market that it serves. Where specific internal development cost meets the required criteria under IAS 38, these amounts have been capitalised at the cost incurred.

Political and charitable donations

During the year, the Company made no political donations (2022: £nil) and made charitable donations of £1,039 (2022: £681).

Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (primarily foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of markets and seeks to minimise potential adverse effects on the Company's financial performance. Financial risk management is carried out by the Board and its policies are outlined in note 22 to the financial statements.

A summary of key risks and their mitigation is shown on pages 17 to 19.

Subsidiary audit exemption

The wholly-owned UK subsidiaries of Rosslyn Data Technologies plc being Rosslyn Analytics Limited (company number 05450134) and Rosslyn Data Management Limited (company number 03842863) are exempt from the requirements of Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A.

Auditor

CLA Evelyn Partners Limited have expressed their willingness to continue in office as auditor. A resolution to reappoint CLA Evelyn Partners Limited as the Company's auditor will be proposed at the Company's next Annual General Meeting.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Going concern

The Directors have run various scenario planning forecasts alongside their best-estimate forecast assumptions, including a scenario in which sales growth falls below management expectations and various cash mitigation measures are implemented, which all indicate sufficient cash resources to continue to finance the Company's working capital requirements over the forecast period of 18 months from the date of approval of these financial statements. However, if the Company is unable to deliver upon its proposed revenue projections, there is limited headroom in the current forecasts and, as such, there is considered to be a material uncertainty relating to going concern. Further detail can be found in the 'Going Concern' section of the Notes to the Financial Statements on page 45.

Statement of Directors' responsibilities in respect of the annual report and financial statements

The Directors are responsible for preparing the annual 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. Under that law the Directors have elected to prepare the Company financial statements in accordance with UK-adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

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;
- state whether international accounting standards and applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The maintenance and integrity of the corporate and financial information included on the Company's website is the responsibility of the Directors. The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions.

Annual General Meeting

The Annual General Meeting ("AGM") will be on at 10.00 a.m. on 23 November 2023 at the office of Gracechurch Group, 48 Gracechurch Street, London, EC3V 0EJ. The Notice of the AGM, including explanatory notes regarding the ordinary and special business to be put to the meeting, has been set out in a separate circular to shareholders and published alongside this annual report.

By order of the Board.

Paul Watts

Chief Executive Officer

30 October 2023

Independent auditor's report to the members of Roslyn Data Technologies plc

Opinion

We have audited the financial statements of Roslyn Data Technologies Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2023 which comprise the Consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the company statement of financial position, the company statement of changes in equity and the notes to the 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. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2023 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Our approach to the audit

Of the group's three reporting components, we subjected three to audits for group reporting purposes along with the audit of the parent company.

The components within the scope of our work covered 100% of group revenue, 100% of group profit before tax, and 100% of group net assets.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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) we identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters continued

Key audit matter	Description of risk	How the matter was addressed in the audit
<p>Revenue recognition (including contract assets and contract liabilities)</p>	<p>The group's revenues are a significant measure of its financial performance. The group derives the majority of its revenue from the provision of data analytic services using its software. This generates service income, which is recognized over the life of the service period, as well as ad hoc revenue which is recognized when that service is delivered.</p> <p>A significant portion of revenue is invoiced in advance, introducing judgment in the timing of revenue recognition.</p>	<p>We challenged the management revenue recognition procedures as described in note 2.</p> <p>As part of our procedures we:</p> <ul style="list-style-type: none"> ▪ Confirmed the appropriateness of the Group's revenue recognition policy with respect to the requirement of IFRS 15 "Revenue from Contracts with Customers" and checking that it has been consistently applied. ▪ Performed tests of detail over a sample of revenue transactions to determine whether the revenue recognised was complete, accurate, had occurred and was recognised in line with the Group's accounting policies and contract terms as agreed with customers. ▪ Substantive testing of deferred and accrued income by agreeing amounts and performing tests of detail over a sample of deferred income and accrued income. <p>The group's accounting policy on revenue recognition is set out in Note 2 "accounting policies" to the consolidated financial statements and related disclosures are included in Note 2.</p>
<p>Intangible assets impairment (group)</p>	<p>The Group capitalizes qualifying development costs as intangible assets, which are material to the Group's financial statements. Stringent requirements must be met to capitalize these costs in accordance with IAS 38.</p> <p>Further, the value of these costs to the Group once capitalised presents an area of audit risk given the uncertainty and value of future sales, and the projected future life of the intangible asset and amortisation period assigned. For this reasons, we have considered this an area of key audit focus.</p>	<p>We challenged the assumptions used in the impairment model for intangible described in note 2. As part of our procedures we:</p> <ul style="list-style-type: none"> ▪ Obtained and agreed the breakdown of capitalized development costs. ▪ Assessed the costs capitalized at year-end against the recognition criteria of IAS 38. ▪ Reviewing management's impairment calculations, including challenging key assumptions. ▪ Assessed the appropriateness of the assumptions made by management regarding revenue were deemed uncertain; and ▪ Considered the appropriateness of the disclosures made in the financial statement in respect of the intangible assets.
<p>Intercompany receivables</p>	<p>The valuation of intercompany receivables in the parent financial statement are linked to the assessment of intangible assets in the group financial statements. As described above, this presents an area of audit risk given the uncertainty of future sales used to determine the cash flow projections upon which conclusion was reached that the values are deemed recoverable. For this reason, we have considered this an area of key audit focus.</p>	<p>As part of our procedures we:</p> <ul style="list-style-type: none"> ▪ Reviewed management assessment of the value of receivables against indicators of IAS 36 and determined whether there is any indication that the receivables might be impaired. ▪ Assessed the appropriateness of the assumptions that had the most material impact. The assumptions made by management regarding revenue were deemed uncertain as referred to above in the Emphasis of Matter paragraph; and ▪ Considered the appropriateness of the disclosures made in the financial statement in respect of the receivables.

Independent auditor's report continued to the members of Roslyn Data Technologies plc

Our application of materiality

The materiality for the group financial statements as a whole ("group FS materiality") was set at £80k. This has been determined with reference to the benchmark of the group's revenue, which we consider to be one of the principal considerations for members of the company in assessing the group's performance. The group's revenues are a significant measure of its financial performance. The group derives the majority of its revenue from the provision of data analytic services through use of its software. This generates service income, which is recognised over the life of the service period, as well as set up and ad hoc revenue which is recognised when that service is delivered. A significant portion of revenue is invoiced in advance, therefore there is judgement involved in the timing of revenue recognition. Group FS materiality represents 2% of the group's revenue.

The materiality for the parent company financial statements as a whole ("parent FS materiality") was set at £50k. This has been determined with reference to the benchmark of the parent company's net assets as it exists only as a holding company for the group and carries on no trade in its own right. Parent FS materiality represents 2% of the parent company's net assets as presented on the face of the parent company statement of financial position.

Performance materiality for the group financial statements was set at £52k, being 65% of group FS materiality, for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures. We have set it at this amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds group FS materiality. We judged this level to be appropriate based on our understanding of the group and its financial statements, as updated by our risk assessment procedures and our expectation regarding current period misstatements including considering experience from previous audits.

Performance materiality for the parent company financial statements was set at £32.5k, being 65% of parent FS materiality based on our overall expectation of the level of audit differences, and the number and significance of areas of judgement in the financial statements.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements concerning the group and parent company's ability to continue as a going concern.

In the prior reporting period, the group incurred a loss of £3.7m. However, in the current year, the group has recorded a loss of £2.4m, offset by a profit of £2.7m from discontinued operations, resulting in a net effect of a £396k profit for the year.

Although the directors have prepared cash flow projections to support their decision to use the going concern basis, it is important to note that the timing and magnitude of future cash flows from the new business remain uncertain. In addition, certain events and conditions outlined in Note 2.

As stated in note 2, these conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter. Notwithstanding the above, 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.

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 opinion is not modified in this matter.

Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- Challenging the assumptions used in the detailed budgets and forecasts prepared by management for the going concern period;
- Considering historical trading performance by comparing recent growth rates of both revenue and operating profit across the group's geographical and market segments;
- Assessing the appropriateness of the assumptions concerning growth rates and inputs to the discount rate against latest market expectations and macro-economic assumptions;
- Comparing the forecast results to those actually achieved in the 2024 financial period so far;
- Reviewing bank statements to monitor the cash position of the group post year end, and obtaining an understanding of significant expected cash outflows (such as capital expenditure) in the forthcoming 12-month period.

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

Emphasis of Matter – Valuation of Intangible Assets

We draw attention to note 2 in the financial statements concerning the valuation of intangible assets.

Within the group's financial statements, there is a valuation of £1.4m in intangible assets contingent upon the future cash flows generated by ongoing subsidiary operations. There is also a £2,015k in intercompany receivables. The subsidiary operations, in turn, rely on the successful commercialization, value, and timing of product sales. The ultimate result of these circumstances cannot be determined at this time, and the financial statements do not account for any provision that might be necessary should the subsidiary's cash flows deviate from the forecast.

In the above both cases our opinion is not modified in respect of these matters.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception.

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 35, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. 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.

We gained a broad comprehension of the legal and regulatory framework within which the Group operates. This understanding was achieved by engaging in discussions with the Group's management, during which we inquired about their knowledge of relevant laws and regulations, the entity's compliance policies and procedures, and their approach to identifying, evaluating, and accounting for litigation claims. Additionally, we leveraged our pre-existing knowledge of the Group's industry and associated regulations.

Independent auditor's report continued to the members of Roslyn Data Technologies plc

We understand that the Group complies with the framework through:

- Outsourcing payroll and tax compliance to external experts
- Subscribing to relevant updates from external experts, and making changes to internal procedures and controls as necessary.
- Regular data protection training for staff and regular reviews performed by external experts.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the Group's ability to conduct its business, and/or where there is a risk that failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the group:

- The Companies Act 2006, IFRS and FRS 102 in respect of the preparation of the financial statements.
- General Data Protection Regulation (GDPR) relating to the holding of customer data.
- ISO 27001 and ISO 9001 accreditations.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations identified above:

- Examined the results of any regulatory compliance audits and performed online searches of key regulators to ensure adequate compliance certificates were held.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- The incentive to present a favourable view of the business' financial performance and position given the Group's listed status, which might lead to misrepresentations through actions such as inflating revenues, understating expenses, or manipulating accounting entries to create a more positive appearance of the company's financial health.
- Manipulation of the financial statement, particularly revenue, via fraudulent journal entries.

These areas were communicated to the other members of the engagement team not present at the discussion. The procedures we carried out to gain evidence in the above areas included:

- Substantive work on material areas affecting profits.
- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts and those posted at unusual times.
- We have engaged a second RI to conduct an independent review, given the Group's listed status.

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

Use of our report

This report is made solely to the 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 Edmonds

Senior Statutory Auditor, for and on behalf of

CLA Evelyn Partners Limited

Statutory Auditor
Chartered Accountants

4th Floor Cumberland House
15-17 Cumberland Place
Southampton
Hampshire
SO15 2BG

30 October 2023

Consolidated statement of comprehensive income for the year ended 30 April 2023

	Note	30 April 2023 £'000	Year ended 30 April 2023 £'000	30 April 2022 £'000	Year ended 30 April 2022 £'000
Continuing operations					
Revenue	3		3,012		2,731
Cost of sales			(1,968)		(2,278)
Gross profit			1,044		453
Operating expenses			(3,807)		(4,464)
Analysed as					
Administrative expenses		(3,352)		(4,287)	
Depreciation and amortisation		(366)		(40)	
Share-based payments		(89)		(137)	
		(3,807)		(4,464)	
Operating loss			(2,763)		(4,011)
Finance income	5		3		5
Finance costs	5		–		(44)
Loss before income tax	6		(2,760)		(4,050)
Income tax	7		664		391
Loss for the year for continued operations			(2,096)		(3,659)
Profit for the year from discontinued operations	25		2,468		297
Profit/(loss) for the year			372		(3,362)
Other comprehensive income – translation differences			28		19
Total comprehensive income/(loss)			400		(3,343)
Profit/(loss) per share					
			Pence		Pence
Basic and diluted loss per share: ordinary shareholders – Continued	8		(30.6)		(53.7)
Basic profit/(loss) per share: ordinary shareholders – Total	8		5.9		(49.2)
Diluted profit/(loss) per share: ordinary shareholders – Total	8		5.7		(49.2)

The notes on pages 45 to 66 form part of these financial statements.

Consolidated statement of financial position

as at 30 April 2023

	Note	30 April 2023 £'000	30 April 2022 £'000
Assets			
Non-current assets			
Intangible assets	9	1,372	1,105
Property, plant and equipment	10	–	16
Right-of-use assets	11	162	236
		1,534	1,357
Current assets			
Trade and other receivables	12	969	820
Corporation tax receivable		852	161
Cash and cash equivalents	13	767	2,433
Total current assets		2,588	3,414
		4,122	4,771
Disposal group assets	25	–	650
Total assets		4,122	5,421
Liabilities			
Non-current liabilities			
Trade and other payables	14	(114)	(168)
Deferred tax	16	–	–
		(114)	(168)
Current liabilities			
Trade and other payables	14	(2,001)	(2,284)
Financial liabilities – borrowings	15	(96)	–
Total current liabilities		(2,097)	(2,284)
Disposal group liabilities	25	–	(1,547)
Total liabilities		(2,211)	(3,999)
Net assets		1,911	1,422
Equity			
Called up share capital	18	1,699	1,699
Share premium		18,923	18,923
Share-based payment reserve		320	255
Accumulated loss		(24,089)	(24,485)
Translation reserve		(75)	(103)
Merger reserve		5,133	5,133
Total equity		1,911	1,422

The notes on pages 45 to 66 form part of these financial statements.

The financial statements were approved by the Board of Directors on 30 October 2023 and were signed on its behalf by:

Paul Watts

Chief Executive Officer

Consolidated statement of changes in equity for the year ended 30 April 2023

	Note	Called up share capital £'000	Accumulated loss £'000	Translation reserve £'000	Share-based payment reserve £'000	Share premium £'000	Merger reserve £'000	Total equity £'000
Balance at 1 May 2021		1,699	(21,662)	(122)	657	18,923	5,133	4,628
Loss for the year		–	(3,362)	–	–	–	–	(3,362)
Other comprehensive income		–	–	19	–	–	–	19
Lapsed options	23	–	539	–	(539)	–	–	–
Share-based payment transaction	23	–	–	–	137	–	–	137
Balance at 30 April 2022		1,699	(24,485)	(103)	255	18,923	5,133	1,422
Balance at 1 May 2022		1,699	(24,485)	(103)	255	18,923	5,133	1,422
Profit for the year		–	372	–	–	–	–	372
Other comprehensive income		–	–	28	–	–	–	28
Lapsed options	23	–	24	–	(24)	–	–	–
Share-based payment transaction	23	–	–	–	89	–	–	89
Balance at 30 April 2023		1,699	(24,089)	(75)	320	18,923	5,133	1,911

The merger reserve arises from the Group reorganisation that occurred on 23 April 2014. Rosslyn Data Technologies plc acquired Rosslyn Analytics Limited in a share-for-share transaction. There was no change in rights or proportions of control in the Group as a result of this transaction. As common control exists IFRS 3 was deemed to not apply and this has been accounted for as a capital reorganisation. The difference between the share capital and share premium of the Company and the share capital and share premium of Rosslyn Analytics Limited at 23 April 2014 is recognised in the merger reserve.

The translation reserve comprises translation differences arising from the translation of financial statements of the Group's foreign entities (Rosslyn Analytics, Inc.) into sterling (£).

The accumulated loss reserve includes all current and prior period retained profits and losses.

The share-based payment reserve comprises the fair value of options granted under the Group's Enterprise Management Incentive Scheme, less reductions for those options that lapsed during the year.

The notes on pages 45 to 66 form part of these financial statements.

Consolidated statement of cash flows

for the year ended 30 April 2023

	Note	Year ended 30 April 2023 £'000	Year ended 30 April 2022 £'000
Cash flows used in operating activities			
Cash used in operations	See below	(2,668)	(2,156)
Finance income	5	3	5
Finance costs	5	–	(44)
Corporation tax (paid)/received		(27)	75
Net cash used in operating activities		(2,692)	(2,120)
Cash flows generated from/(used in) investing activities			
Purchase of property, plant and equipment	10	(6)	(28)
Acquisition of software		(535)	(1,105)
Cash received on disposal of operation		1,512	–
Net cash generated from/(used in) investing activities		971	(1,133)
Cash flows generated from/(used in) financing activities			
New loans in year	15	160	–
Repayment of borrowings	15	(64)	(890)
Repayment of capital element of obligations under leases	15	(69)	(122)
Net cash generated from/(used in) financing activities	27	27	(1,012)
Net decrease in cash and cash equivalents		(1,694)	(4,265)
Cash and cash equivalents at beginning of year	13	2,433	6,681
Foreign exchange gains		28	17
Cash and cash equivalents at end of year	13	767	2,433

Reconciliation of loss before income tax to cash used in operations

	Year ended 30 April 2023 £'000	Year ended 30 April 2022 £'000
Loss before income tax	(292)	(3,753)
Depreciation, amortisation and impairment charges	366	40
Share-based payment transactions	89	137
Finance income	(3)	(5)
Gain on disposal of operations	(2,468)	–
Disposal of leases	(5)	–
Finance costs	–	44
	(2,313)	(3,537)
(Increase)/decrease in trade and other receivables	(149)	875
(Decrease)/increase in trade and other payables	(206)	506
Cash used in operations	(2,668)	(2,156)

The notes on pages 45 to 66 form part of these financial statements.

Notes to the consolidated financial statements

for the year ended 30 April 2023

1. General information

Roslyn Data Technologies plc (the "Company") is a company incorporated and domiciled in the UK. It is quoted on AIM, a market of the London Stock Exchange. The address of the registered office is 1000 Lakeside North Harbour, Western Road, Portsmouth, Hampshire, PO6 3EN. The Company is the ultimate parent company of Roslyn Analytics Limited and Roslyn Data Management Limited, companies incorporated in the UK, and the ultimate parent company of Roslyn Analytics, Inc., a company incorporated in the USA (collectively, the "Group"). The Group's principal activity is the provision of procurement data analytics using a proprietary form, data capture, data mining and workflow management.

The financial statements are presented in British Pounds Sterling (£), the currency of the primary economic environment in which the Group's activities are operated in and reported in £'000. The financial statements are for the year ended 30 April 2023.

2. Accounting policies

Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The Group financial statements have been prepared under the historical cost convention subject to fair valuing certain financial instruments and in accordance with UK-adopted international accounting standards.

The parent company's financial statements have been prepared under applicable United Kingdom accounting standards (FRS 102) and are on pages 67 and 68.

Going concern

Information on the business environment and the factors underpinning the Group's future prospects and product portfolio are included in the CEO's statement. The cash balance at 30 April 2023 was £0.8m and on 18 September the Group successfully completing an equity fundraising round, raising £3.3m of gross proceeds. The Group has performed prudent scenario analysis on revenue and cost performance. These demonstrate that the Group can meet its liabilities as they fall due.

After making appropriate enquiries, the Directors consider that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements, accordingly, the financial statements do not include any adjustments which would be required if the going concern basis of preparation was deemed to be inappropriate. However, if the Group is unable to generate its proposed revenue projections, there is limited headroom in the current forecasts and as such there is considered to be a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

Basis of consolidation

On 23 April 2014 the Company acquired the Group's previous parent company, Roslyn Analytics Limited, via a share-for-share exchange whereby every ordinary share and A preference share in Roslyn Analytics Limited was exchanged for eight ordinary shares and eight A preference shares respectively in Roslyn Data Technologies Limited (prior to the conversion to a plc on 24 April 2014). On 24 April 2014 the A preference shares were converted into ordinary shares on a one-for-one basis. On 29 April 2014, Roslyn Data Technologies plc's shares were admitted to trading on AIM.

Accordingly, these financial statements are presented in the name of the new legal parent, Roslyn Data Technologies plc, but are a continuation of the financial statements of Roslyn Analytics Limited.

During the year, the Group disposed of the Langdon Systems and Integrity parts of the Group. The Langdon Systems sale was completed on the 30 September 2022, and the Integrity sale completed on the 1 November 2022.

The consolidated statement of comprehensive income and statement of financial position include the financial statements of the Company and its subsidiary undertakings as of 30 April 2023.

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de facto control exists the Company considers all relevant facts and circumstances, including:

- the size of the Company's voting rights relative to both the size and dispersion of other parties which hold voting rights or substantive potential voting rights held by the Company and by other parties;
- other contractual arrangements; and
- historical patterns in voting attendance.

The consolidated financial statements present the results of the Company and its subsidiaries (the "Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method.

In the consolidated balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained.

Notes to the consolidated financial statements continued for the year ended 30 April 2023

2. Accounting policies continued

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists where an investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement in the investee and has the ability to affect those returns through its power over the investee. The financial information of subsidiaries is included in the consolidated financial information from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

Intragroup balances, and any gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial information.

Judgements and estimates

The preparation of the financial statements requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgements

- Development costs capitalised as intangible assets – Management exercises judgement in determining whether the costs can be capitalised. Management look for costs that can be directly attributable, and also measurable, to a particular project when deciding on capitalisation. During the year, the Group has capitalised intangible assets development costs of £535,000 (2022: £1,105,000), which relate specifically to the Rosslyn Platform redevelopment.
- Impairment of intangible assets – The Directors will use their judgement to determine if indicators of impairment of intangible assets have arisen.
- Conditional deferred payment on the sale of Integrity. Based on current and available information the conditional deferred payment of up to £1.4m has been fair valued at Nil.

Estimates

- Valuation of share-based payments – The Directors base their judgement on the Black Scholes model (note 23).
- Recognition of professional services revenue – For projects that are in progress, management assesses how far through to completion then recognise revenue using time management records and expectation of total time required based on prior projects.
- Impairment of intangible assets – Management have carried out an impairment review based on the recoverable amount using a discounted cash flow model. No impairment is considered necessary, but this is dependent upon future cash flows generated by the continuing subsidiary operations, which themselves are dependent on the successful commercialisation, value and timing of product sales.
- Amortisation of development costs – The amortisation of development costs is spread in a straight-line basis over its estimated useful economic life at the outset of the project. The life of the asset will be reassessed as time progresses to ensure the estimation of its life is correct and any impairment will be taken into account at that time.

Revenue recognition

Revenue is measured at the fair value of consideration received or receivable and represents amounts for services provided to third parties in the normal course of business during the year, net of value-added tax, and results from the principal activities of the Group.

Each element of revenue (described below) is recognised only when:

- provision of the services has occurred;
- the consideration receivable is fixed or determinable; and
- collection of the amount due from the customer is reasonably assured.
 - i) Initial data processing and analysis in connection with the deployment and customisation of the Group's proprietary solutions are recognised over the corresponding period of the related customer contract.
 - ii) Annual licence fees are recognised on a straight-line basis over the period of the contractual term.
 - iii) Any revenue arising from consultancy or professional services work is recognised as such services are delivered.

Services that have been delivered at the end of a financial period but which have not been invoiced at that time are recognised as revenue and shown within accrued revenue in the statement of financial position.

Advance payments from customers are included within deferred income in the statement of financial position. Such amounts are recognised as the services are provided to the customer in accordance with points (i) to (iii) as set out above.

Cost of sales

Cost of sales includes utilised data storage costs proportionate to the amount utilised to service customers, together with third-party costs for software licences supplied to customers.

2. Accounting policies continued

Other intangible assets

Customer lists, internally developed software and software licences have been acquired in a business combination; they qualify for separate recognition and are recognised as intangible assets at their fair value.

Goodwill represents the excess of the cost of a business combination over the total fair value of the identifiable assets, liabilities and contingent liabilities acquired as at the acquisition date. Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceeds the fair value of consideration paid, the excess is credited in full to profit or loss.

All finite-lived intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. The following useful lives are applied:

- Software licences – five years straight line
- Internally developed software – five years straight line
- Customer relationships – five years straight line

Amortisation has been included within depreciation, amortisation and impairment of non-financial assets.

Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

- Fixtures, fittings, and equipment – 18 to 36 months straight line

Impairment review of intangible assets

The intangible assets, with the exception of goodwill, are being amortised over their useful economic lives, however management still tests intangible assets for impairment if and when indicators of impairment arise. Where such an indication exists, management estimates the fair value less costs to sell of the assets based on the net present value of future cash flows. The Directors have considered whether there are any indicators of impairment to the carrying amount of intangible assets of £1,372,000 (2022: £1,105,000), and there is considered to be no requirement for impairment in this financial year.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantively enacted by the statement of financial position date.

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Temporary differences are not provided for the initial recognition of other assets or liabilities that affect neither accounting nor taxable profit. 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 statement of financial position 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 asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Notes to the consolidated financial statements continued for the year ended 30 April 2023

2. Accounting policies continued

Research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An intangible asset arising from development or the development phase of an internal project is recognised if the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for sale or use;
- the intention to complete the development;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits (for example, the existence of a market for the output of the intangible asset or for the intangible asset itself);
- the availability of resources to complete the development; and
- the ability to measure the attributable expenditure reliably.

This financial year the development costs of the new Rosslyn Platform have been able to be identified meeting the tests above and have therefore been capitalised.

Foreign currencies

The functional currency of the Company is pounds sterling because that is the currency of the primary economic environment in which the Company operates. The Company's presentation currency is pounds sterling.

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result and are recognised in administrative expenses.

Group companies

The results and financial position of all the Group entities (none of which have the currency of a hyperinflation economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income. The following exchange rates were applied for £1 at each year end:

	2023	2022
US dollars	1.26	1.26
Euros	1.14	1.19

Retirement benefits

The Group operates a defined contribution scheme. Contributions payable to the Group's pension scheme are charged to the income statement in the period to which they relate.

Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets, which are defined as leases under £4,500 per annum; and
- leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

2. Accounting policies continued

Leases continued

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of a termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it reassesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights of use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount; and
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

The Group leases a number of properties on fixed rents. None of these leases have inflation clauses or break clauses.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual agreement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Trade and other payables

Trade payables are stated at their original invoiced value, as the interest that would be recognised from discounting future cash payments over the expected payment period is not considered to be material.

Financial assets

Classification

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Investments other than investments in subsidiaries are classified as either held-for-trading or not at initial recognition. At the year end date all investments are classified as not held for trading.

Trade receivables

Trade receivables are held in order to collect the contractual cash flows and are initially measured at the transaction price as defined in IFRS 15, as the contracts of the Group do not contain significant financing components.

Impairment losses are recognised based on lifetime expected credit losses in profit or loss.

Notes to the consolidated financial statements continued for the year ended 30 April 2023

2. Accounting policies continued

Financial assets continued

Other receivables

Other receivables are held in order to collect the contractual cash flows and accordingly are measured at initial recognition at fair value, which ordinarily equates to cost and are subsequently measured at cost less impairment due to their short-term nature.

A provision for impairment is established based on 12-month expected credit losses unless there has been a significant increase in credit risk when lifetime expected credit losses are recognised. The amount of any provision is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances held by the Group and overnight call deposits. Financial liability and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Share capital and share premium

Ordinary shares are classified as equity. Share premium is the amount subscribed for share capital in excess of nominal value less any costs directly attributable to the issue of new shares. Incremental costs directly attributable to the issue of new shares are shown in share premium as a deduction from the proceeds.

Share-based payments

The Group operates an equity-settled, share-based compensation plan, the Enterprise Management Incentive (EMI) Scheme. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted calculated using an appropriate option pricing model. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each statement of financial position date, the entity revises its estimates of the number of options that are expected to vest. Options issued under the scheme to Non-Executive Directors and other individuals who are not employees of the UK Company follow the EMI rules but are considered non-qualifying EMI options for tax purposes.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the effect is material, provisions are discounted at a rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. The increase in the provision due to passage of time is recognised in finance costs.

Net finance costs

Finance costs

Finance costs comprise interest payable on borrowings and direct issue costs.

Finance income

Finance income comprises interest receivable on funds invested. Interest income is recognised in the income statement as it accrues using the effective interest method.

Standards, amendments and interpretations

There were no new IFRSs, endorsed standards and amendments, improvements and interpretations of published standards applicable for accounting periods beginning 1 May 2022 that had a material impact on the financial statements.

Standards not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

- Classification of liabilities as current or non-current (Amendments to IAS 1)
- Deferred tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Narrow scope amendments to IAS 1 'Presentation of Financial Statements, Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'

The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Group.

3. Segmental reporting

Management has determined the operating segments based on the operating reports reviewed by the Directors that are used to assess both performance and strategic decisions. Management has identified that the Directors are the Chief Operating Decision Maker in accordance with the requirements of IFRS 8 Operating segments.

The determination is that the Group operates as a single segment, as no internal reporting is produced either by geography or division. The Group views performance on the basis of the type of revenue, and the end destination of the client as shown below.

	Year ended 30 April 2023 £'000	Year ended 30 April 2022 £'000
Annual licence fees	2,406	2,414
Professional services	606	317
Total revenue	3,012	2,731

	Year ended 30 April 2023 £'000	Year ended 30 April 2022 £'000
Analysis of revenue by country		
United Kingdom	1,528	1,643
Europe	520	414
North America	964	674
Total revenue	3,012	2,731

Included in Europe is the Netherlands, which had revenues of £208,000 in the year ended 30 April 2023 (2022: £158,000). Included in North America is the USA, which had revenues of £964,000 in the year ended 30 April 2023 (2022: £674,000).

	Year ended 30 April 2023 £'000	Year ended 30 April 2022 £'000
Analysis of future obligations:		
Performance obligations to be satisfied in the next year	1,725	1,763
Performance obligations to be satisfied after 30 April 2024	125	1,426
Total future performance obligations	1,850	3,189

There were two (2022: nil) significant customers who made up greater than 10% of total revenue in the year. Customer 1 generated revenue of £344,674 and customer 2 generated revenue of £341,638. The following revenue arose from the Group's largest customer in each year:

	Year ended 30 April 2023 £'000	Year ended 30 April 2022 £'000
Annual licence fees	178	199
Professional services	167	8
Total revenue	345	207

Notes to the consolidated financial statements continued for the year ended 30 April 2023

4. Employees and Directors

	Year ended 30 April 2023 £'000	Year ended 30 April 2022 £'000
Wages and salaries	3,466	3,970
Social security costs	411	436
Other pension costs	107	161
Share-based payment expense – Directors	71	137
Share-based payment expense – staff	18	–
	4,073	4,704

The average monthly number of employees during the years was as follows:

	Year ended 30 April 2023	Year ended 30 April 2022
Management	6	7
Research and development	13	21
Sales, marketing and administration	32	46
	51	74

The Employees and Directors note above includes costs and average number of employees for both continued and discontinued operations.

Key Management Personnel comprised the Board of Directors and the Chief Financial Officer. The remuneration of all Key Management Personnel was as follows:

	Year ended 30 April 2023 £'000	Year ended 30 April 2022 £'000
Emoluments	490	466
Pension contributions to money purchase schemes	33	34
The number of Key Management Personnel to whom retirement benefits were accruing was as follows:		
Money purchase schemes	2	3

During the year no (2022: nil) members of the Key Management Personnel exercised share options. Details are shown in the Remuneration Report. Information regarding the highest paid Director is as follows:

	Year ended 30 April 2023 £'000	Year ended 30 April 2022 £'000
Aggregate emoluments	183	181

There were pension contributions in respect of the highest paid Director of £18,000 (2022: £18,000). The highest paid Director exercised nil (2022: nil) share options during the year (see note 23).

5. Net finance costs

	Year ended 30 April 2023 £'000	Year ended 30 April 2022 £'000
Finance income		
Interest receivable	3	5
Finance costs		
Loan interest paid	–	(44)
Net finance income/(costs)	3	(39)

6. Loss before income tax

The loss before income tax is stated after charging/(crediting):

	Year ended 30 April 2023 £'000	Year ended 30 April 2022 £'000
Share-based payments	89	137
Depreciation – owned assets	19	40
Amortisation – owned assets	268	–
Depreciation of right-of-use assets	79	91
Auditor's remuneration – audit of the Group and Company financial statements	83	42
Foreign exchange gains	(10)	(8)

The operating EBITDA is calculated as shown below:

	Year ended 30 April 2023 £'000	Year ended 30 April 2022 £'000
Operating loss	(2,763)	(4,011)
Depreciation and amortisation	366	1,063
Share-based payments	89	137
Exceptional costs	260	179
Operating EBITDA*	(2,048)	(2,632)

* Exceptional costs include £108,000 (2022: £133,000) relating to old contract issues and £152,000 (2022: £46,000) of employment restructuring costs

7. Income tax

Analysis of income tax

	Year ended 30 April 2023 £'000	Year ended 30 April 2022 £'000
Current tax		
Corporation tax on losses of the year	(226)	(279)
Prior year adjustment	(451)	(39)
Overseas tax	(14)	–
Total current tax (including discontinued operations)	(691)	(318)
Deferred tax		
Origination and reversal of timing differences (see note 16)	(–)	(73)
Total tax (including discontinued operations)	(691)	(391)
Tax attributable to:		
Loss from continuing operations	(664)	(391)
Profit from discontinued operations	(27)	–

Notes to the consolidated financial statements continued

for the year ended 30 April 2023

7. Income tax continued

Factors affecting the tax credit

The differences between the total current tax shown above and the amount calculated applying the standard rate of UK corporation tax to the loss before tax are explained below:

	Year ended 30 April 2023 £'000	Year ended 30 April 2022 £'000
Loss from continuing operations before income tax expense	(2,760)	(5,182)
Profit from discontinued operations before income tax expense	2,441	297
Loss from total operations	(319)	(4,885)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.49% (2022: 19%)	(62)	(718)
Effects of:		
Prior year adjustment	(451)	(39)
Disallowable expenses	31	31
Income not taxable	(241)	–
Double taxation relief	(14)	–
Remeasurement of deferred tax for changes in tax rates	16	–
Unrecognised deferred tax asset on losses	30	627
Fixed asset differences	–	1
Research and development tax credit	–	(293)
Total tax	(691)	(391)

In May 2021 a change in the corporation tax rate to 25% from April 2023 was substantively enacted.

The rate of 25% is accordingly applied to UK deferred taxation balances at 30 April 2023 (2022: 25%).

8. Profit/(loss) per share

Basic earnings per share is calculated by dividing the net profit/(loss) for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit/(loss) for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

	Year ended 30 April 2023	Year ended 30 April 2022
Profit/(loss) for the year attributable to the owners of the parent	£400,000	(£3,434,000)
	2023 Number	2022 Number
Weighted average number of shares		
Weighted average number of shares in issue during the year	339,862,521	339,862,521
Weighted average number of shares post consolidation*	6,797,250	6,797,250
Dilutive effect of share options**	12,021,429	–
Number of dilutive effect of share options post consolidation*	240,429	–
Total number of dilutive effect of share options	7,037,679	–
	Pence	Pence
Basic and diluted loss per share: ordinary shareholders – continued	(30.6)	(53.7)
Basic and diluted profit per share: ordinary shareholders – discontinued	36.5	4.5
Basic profit/(loss) per share: ordinary shareholders	5.9	(49.2)
Diluted profit/(loss) per share: ordinary shareholders	5.7	(49.2)

*Ordinary shares and share options have been reinstated to reflect the share consolidation of a ratio of 50:1 which took place on 19 September 2023.

** At 30 April 2023 there were 30,675,638 share options outstanding, of these 13,675,638 were not included in the calculation of diluted earnings per share as these are anti dilutive in terms of IAS 33. As at 30 April 2022 all 14,564,527 share options were not included in the calculation of diluted earnings per share as these are anti dilutive in terms of IAS 33.

9. Intangible assets

	Goodwill £'000	Acquired software licences £'000	Internally developed software £'000	Customer relationships £'000	Total £'000
Cost					
At 1 May 2021	526	559	547	4,462	6,094
Additions	–	–	1,105	–	1,105
Transferred to assets held for sale	(526)	(559)	(547)	(4,462)	(6,094)
At 30 April 2022	–	–	1,105	–	1,105
At 1 May 2022	–	–	1,105	–	1,105
Additions	–	–	535	–	535
At 30 April 2023	–	–	1,640	–	1,640
Accumulated amortisation					
At 1 May 2021	464	524	437	3,675	5,100
Amortisation	–	35	110	787	932
Transferred to assets held for sale	(464)	(559)	(547)	(4,462)	(6,032)
At 30 April 2022	–	–	–	–	–
At 1 May 2022	–	–	–	–	–
Amortisation	–	–	268	–	268
At 30 April 2023	–	–	268	–	268
Net book value					
At 30 April 2022	–	–	1,105	–	1,105
At 30 April 2023	–	–	1,372	–	1,372

10. Property, plant and equipment

	Fixtures, fittings and equipment £'000
Cost	
At 1 May 2021	198
Additions	28
Transferred to assets held for sale	(102)
At 30 April 2022	124
At 1 May 2022	124
Additions	6
Disposals	(96)
At 30 April 2023	34
Accumulated depreciation and impairment	
At 1 May 2021	143
Charge for the year	40
Transferred to assets held for sale	(75)
At 30 April 2022	108
At 1 May 2022	108
Charge for the year	19
Depreciation eliminated on disposal	(93)
At 30 April 2023	34
Net book value	
At 30 April 2022	16
At 30 April 2023	–

Notes to the consolidated financial statements continued

for the year ended 30 April 2023

11. Leases

	Land and buildings £'000
Right-of-use assets	
At 1 May 2021	73
Additions	364
Disposals	(8)
Transferred to assets held for sale	(102)
Depreciation	(91)
At 30 April 2022	236
At 1 May 2022	236
Disposals	(13)
Depreciation	(79)
Depreciation eliminated on disposal	18
At 30 April 2023	162
Lease liabilities	
At 1 May 2021	73
Additions	364
Disposals	(8)
Transferred to assets held for sale	(60)
Lease payments	(122)
At 30 April 2022	247
At 1 May 2021	247
Disposals	(10)
Lease payments	(69)
At 30 April 2022	168

	Within one year £'000	One to two years £'000	Two to five years £'000	Over five years £'000
At 30 April 2023				
Lease liabilities	54	54	60	–
At 30 April 2022	79	54	114	–

These liabilities are secured by the right-of-use assets in the consolidated statement of financial position. The minimum lease payments are £168,000 and relate to an office lease in Portsmouth.

12. Trade and other receivables

	2023 £'000	2022 £'000
Amounts falling due within one year		
Trade receivables due but not past due	236	295
Trade receivables past due but not impaired	51	86
Impairment provision	–	(83)
Trade receivables – net	287	298
Other receivables	246	37
Prepayments	396	453
Accrued revenue	40	32
	969	820

Trade and other receivables are all current and any fair value difference is not material. Trade receivables are considered past due once they have passed their due date.

The amounts included within trade receivables past due but not impaired for 2023 have been recovered since the statement of financial position date, therefore no provision for impairment has been made for these amounts in these financial statements.

12. Trade and other receivables continued

The movement on the provision for impairment of trade receivables is as follows:

	2023 £'000	2022 £'000
At start of year	83	76
Provision for receivables impairment	–	7
Provision release	(83)	–
At end of year	–	83

The provision for impaired receivables has been included in administrative expenses.

The below represents trade receivables held in foreign currencies at the statement of financial position date:

	2023 £'000	2022 £'000
US dollars	118	35
Euros	10	86
	128	121

13. Cash and cash equivalents

	2023 £'000	2022 £'000
Cash at bank	767	2,433

The following amounts were held in foreign currencies at the statement of financial position date:

	2023 £'000	2022 £'000
US dollars	337	437
Euros	28	315
	365	752

14. Trade and other payables

	2023 £'000	2022 £'000
Non-current		
Other payables	114	168
	114	168
Current		
Trade payables	602	686
Social security and other taxes	80	131
Other payables	108	105
Accruals	267	425
Deferred revenue	944	937
	2,001	2,284

During the year, the Company recognised revenue of £599,844 (2022: £2,766,907) that was included in the deferred revenue balance at the beginning of the period.

Notes to the consolidated financial statements continued

for the year ended 30 April 2023

15. Borrowings and Lease Liabilities

	2023 £'000	2022 £'000
Current		
Unsecured loans	96	–
	96	–

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

	Currency	Nominal interest rate	Year of maturity	2023		2022	
				Face value £'000	Carrying value £'000	Face value £'000	Carrying value £'000
Unsecured loans	GBP	17.47%	2024	96	96	–	–
Total interest-bearing liabilities				96	96	–	–

Details of the payment profile are included in note 22.

Reconciliation of financing liabilities

	Unsecured loans £'000	Lease liabilities £'000	Secured loans £'000	Total financing liabilities £'000
At 1 May 2021	–	73	890	963
Additions	–	264	–	264
Disposals	–	(8)	–	(8)
Transferred to assets held for sale	–	(60)	–	(60)
Repayment	–	(122)	(890)	(1,112)
At 30 April 2022	–	247	–	247
At 1 May 2022	–	247	–	247
Additions	160	–	–	160
Disposals	–	(10)	–	(10)
Repayment	(64)	(69)	–	(133)
At 30 April 2023	96	247	–	264
Current liabilities	96	247	–	264

There is no material difference between the book value and the fair value of the lease liabilities.

16. Deferred tax

Deferred tax relates to the following:

	2023 £'000	2022 £'000
Accelerated capital allowances	–	–
Deferred tax asset relating to losses	–	–
Deferred tax liability arising on fair value adjustments on acquisition	–	–

The movement in deferred tax is shown below:

	2023 £'000	2022 £'000
Deferred tax liability at start of year	–	73
Deferred tax liability arising on business combinations	–	–
Deferred tax asset on losses	–	–
Accelerated capital allowances	–	–
Release deferred tax liability	–	(73)
Deferred tax liability at end of year	–	–

At the balance sheet date, the Group had tax losses of £13,480,000 (2022: £14,050,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the remaining losses of £13,480,000 (2022: £14,050,000) due to the unpredictability of future profit streams. Substantially all of the losses may be carried forward indefinitely.

17. Net funds

Analysis of net funds

Net funds is the total of cash and cash equivalents less interest-bearing loans and borrowings. Cash and cash equivalents comprise cash balances, call deposits and other short-term liquid investments such as money market funds which are subject to an insignificant risk of a change in value.

	2023 £'000	2022 £'000
Cash and cash equivalents	767	2,433
Interest-bearing loans	(96)	–
Net funds/debt	671	2,433

18. Called up share capital

Allotted, issued and fully paid

Number	Class	Nominal value	2023 £'000	2022 £'000
339,862,521 (2022: 339,862,521)	Ordinary shares	£0.005 (2022: £0.005)	1,699	1,699
			1,699	1,699

19. Related party disclosures

During the year, the Group received invoices from a family member of a director for the provision of consultancy services for the sum of £16,025 (2022: £10,850).

20. Ultimate controlling party

There was no ultimate controlling party as at 30 April 2023 or 30 April 2022.

Notes to the consolidated financial statements continued for the year ended 30 April 2023

21. Pension commitments

The Group operates a number of defined contribution schemes. The assets of the schemes are held in independently administered funds. The pension cost charge represents contributions payable to the funds and amounted to £113,000 (2022: £161,000). At 30 April 2023 £18,000 (2022: £25,000) of pension contributions remain outstanding.

22. Financial instruments

Financial instrument risk exposure and management

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them.

Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been changes to the Group's exposure to financial instrument risks, on September 19 the group issued convertible loans with a value of £600,000. However, its objectives, policies and processes for managing those risks or the methods used to measure them have not changed from previous periods unless otherwise stated in this note.

Principal financial instruments

During the year, the principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- trade receivables;
- cash at bank;
- trade and other payables; and
- bank loans.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives regular reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

Categories of financial instrument	2023 £'000	2022 £'000
Current financial assets		
Trade and other receivables	287	381
Cash and cash equivalents	767	2,433
Accrued revenue	40	32
Total current financial assets	1,094	2,846
Current financial liabilities		
Trade and other payables	602	1,335
Lease liabilities	54	37
Loans and borrowings	96	–
Total current financial liabilities	752	1,372
Non-current		
Loans and borrowings	–	–
Lease liabilities	114	168
Total non-current financial liabilities	114	168

22. Financial instruments continued

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (primarily foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the Board and its policies are outlined below.

a. Market risk

Foreign exchange risk

The Group is exposed to translation and transaction foreign exchange risk as it operates within the USA and other countries around the world and therefore transactions are denominated in sterling, euros, US dollars and other currencies. The Group policy is to try to match the timing of the settlement of sales and purchase invoices so as to eliminate, as far as possible, currency exposure.

The Group does not hedge any transactions and foreign exchange differences on retranslation of foreign currency monetary assets and liabilities are taken to the income statement.

The carrying value of the Group's foreign currency denominated assets and liabilities are set out below:

	2023		2022	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
US dollars	473	524	278	448
Euros	38	28	62	176
	511	552	340	624

The majority of the Group's financial assets are held in sterling but movements in the exchange rate of the US dollar and the euro against sterling have an impact on both the result for the year and equity. The Group considers its most significant exposure is to movements in the US dollar.

Sensitivity to reasonably possible movements in the US dollar exchange rate can be measured on the basis that all other variables remain constant. The effect on profit and equity of strengthening or weakening of the US dollar in relation to sterling by 10% would result in a movement of ±£13,000 (2022: ±£3,000).

b. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise this risk, the Group endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the value of the outstanding amount of £820,000 (2022: £2,354,000).

Provision of services by members of the Group results in trade receivables which the management considers to be of low risk; other receivables are likewise considered to be low risk. The management does not consider that there is any concentration of risk within either trade or other receivables. During the year, there was a decrease of impairment of trade or other receivables of £83,000 (2022: increase of £7,000).

Credit risk on cash and cash equivalents is considered to be small as the counterparties are all substantial banks with high credit ratings. The maximum exposure is the amount of the deposit.

c. Liquidity risk

The Group currently holds cash balances in sterling, US dollars and euros to provide funding for normal trading activity. The Group also has access to additional equity funding and, for short-term flexibility, overdraft facilities would be arranged with the Group's bankers. Trade and other payables are monitored as part of normal management routine. Liabilities are disclosed as follows:

	Within one year £'000	One to two years £'000	Two to five years £'000	Over five years £'000
2023				
Trade payables	602	—	—	—
Accruals	267	—	—	—
	Within one year £'000	One to two years £'000	Two to five years £'000	Over five years £'000
2022				
Trade payables	686	—	—	—
Accruals	425	—	—	—

Notes to the consolidated financial statements continued for the year ended 30 April 2023

22. Financial instruments continued

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in a volatile and tight credit economy.

The Group will also seek to minimise the cost of capital and attempt to optimise the capital structure, which currently means maintaining equity funding and keeping debt to a manageable level. Share capital and premium together amount to £20,622,000 (see page 43).

Whilst the Group does not currently pay dividends it is part of the capital strategy to provide returns for shareholders and benefits for other members in the future. However, the Group is planning growth and it will continue to be important to maintain the Group's credit rating and ability to borrow should acquisition targets become available.

Capital for further development of the Group's activities will, where possible, be achieved by share issues and not by carrying significant debt.

23. Share-based payment transactions

The Directors approved the allocation of share-based payments to various staff members and key management personnel to help align employee interests with shareholder returns. Details of the share-based payment arrangement are described below:

A – Enterprise Management Incentive Scheme

Date of scheme	24 April 2014
Contractual life	10 years
Number of employees in scheme	14
Vesting conditions	Vest on grant/vest over 0-3 years

	2023	Weighted average exercise price	2022	Weighted average exercise price
Outstanding at start of year	14,564,527	5.17p	25,412,702	6.11p
Granted	12,250,000	0.99p	9,183,672	4.90p
Exercised	–	–	–	–
Lapsed	(1,138,889)	4.61p	(20,031,847)	6.24p
Outstanding at end of year	25,675,638	3.20p	14,564,527	5.17p

Grant Date	Vesting Date	Exercise Price	Number of options
14-Dec-22	13-Dec-23	0.99p	12,250,000
Total			12,250,000

During the year, an expense of £81,752 (2022: £137,000) was recognised in relation to the scheme, based on the Black-Scholes option pricing model.

£81,752 (2022: £137,000) was charged to the Company; the balance of £0 (2022: £0) was charged to the subsidiaries where the employees are employed.

23. Share-based payment transactions continued

B – Unapproved share option scheme

Date of scheme	14 December 2022
Contractual life	10 years
Number of employees in scheme	1
Vesting conditions	Vest over 1 year

	2023	Weighted average exercise price	2022	Weighted average exercise price
Outstanding at start of year	–	–	–	–
Granted	5,000,000	0.99p	–	–
Exercised	–	–	–	–
Lapsed	–	–	–	–
Outstanding at end of year	5,000,000	0.99p	–	–

Grant Date	Vesting Date	Exercise Price	Number of options
14-Dec-22	13-Dec-23	0.99p	5,000,000
Total			5,000,000

The share-based payments become exercisable on the vesting date, and lapse on the 10th anniversary of the grant date.

During the year, an expense of £7,000 (2022: £0) was recognised in relation to the scheme, based on the Black-Scholes option pricing model.

£7,000 (2022: £0) was charged to the Company; the balance of £0 (2022: £0) was charged to the subsidiaries where the employees are employed.

Warrants

The Company's broker, Cavendish Securities plc (formerly Cenkos Securities plc), was granted warrants over 11,287,804 ordinary shares in the Company as part-payment for its services during a fundraising and acquisition in April 2017. The warrants were exercisable at a price of 4.5p per share between 15 May 2018 and 15 May 2022 provided that the closing mid-market price for the ordinary shares was at least 8p per share at the time of exercise. Cavendish Securities did not exercise the warrants, therefore, the warrants lapsed during the year.

24. Subsidiary audit exemption

The wholly-owned UK subsidiaries of Rosslyn Data Technologies plc, being Rosslyn Analytics Limited (company number 05450134) and Rosslyn Data Management Limited (company number 03842863), are exempt from the requirements of Companies Act 2006 relating to the audit of individual accounts by virtue of Section 479A.

Notes to the consolidated financial statements continued for the year ended 30 April 2023

25. Discontinued operations and business disposals

In order to deliver the Group's emphasis on the Rosslyn product, a decision was taken to dispose of the Langdon Systems and Integritie parts of the Group. The Langdon Systems sale was completed on 30 September 2022 and the Integritie sale completed on 1 November 2022, and are therefore the trading and profit on disposal are presented on one line as discontinued operations for the current and prior period in the consolidated statement of comprehensive income. As part of the sale of Integritie there is a conditional deferred payment of up to £1.4m based on achieving certain revenue and growth targets. Based on current and available information this conditional deferred payment has been fair valued at Nil. The above transactions have been treated as disposals from the dates the sales were completed.

The associated assets and liabilities were consequently presented as held for sale in the 2022 consolidated statement of financial position. Financial information relating to the discontinued operation for the Group is set out below.

Statement of comprehensive income

	30 April 2023 £'000	Year ended 30 April 2023 £'000	30 April 2022 £'000	Year ended 30 April 2022 £'000
Discontinued operations				
Revenue		1,510		3,140
Cost of sales		(539)		(958)
Gross profit		971	2,184	
Admin expenses		(830)	(1,885)	
Analysed as				
Administrative expenses	(830)		(943)	
Depreciation and amortisation	-		(942)	
Share-based payment	-		-	
			(1,885)	
Operating profit		141		297
Profit on disposal of operations		2,309		-
Finance costs		(9)		-
Profit before income tax		2,441		297
Income tax		27		-
Total comprehensive income for discontinued operations		2,468		297

25. Discontinued operations and business disposals continued

Statement of financial position

The major classes of asset and liabilities held for sale at 30 April 2022 were, as follows:

	30 April 2022 £'000
Assets	
Non-current assets	
Intangible assets	62
Property, plant and equipment	17
Right-of-use assets	60
	139
Current assets	
Trade and other receivables	511
Corporation tax receivable	–
Cash and cash equivalents	–
	511
	650
Disposal of Group assets	
Liabilities	
Non-current liabilities	
Trade and other payables	(195)
Deferred tax	–
Financial liabilities – borrowings	–
	195
Current liabilities	
Discontinued operations held for sale	
Trade and other payables	(1,352)
Financial liabilities – borrowings	–
	(1,352)
	(1,547)
Disposal of Group liabilities	
	(897)
Net liabilities directly associated with disposal	

Before the classification of Langdon Systems and Integritie as discontinued operations, the recoverable amount was estimated for the assets and no impairment loss has been identified.

Notes to the consolidated financial statements continued for the year ended 30 April 2023

25. Discontinued operations and business disposals continued

Profit on disposal of operations

	30 April 2023 £'000	Year ended 30 April 2023 £'000	30 April 2022 £'000	Year ended 30 April 2022 £'000
Cash proceeds		1,700		–
Selling fees paid out of consideration		(188)		–
Net cash consideration		1,512		–
Net assets disposed of				
Intangible fixed assets	62			
Tangible assets	20		–	
Debtors	342		–	
Creditors	(1,449)		–	
		(1,025)		–
Post-completion costs		(228)		–
Profit on disposal before tax		2,309		–

The cash flows from the discontinued operations were as follows:

	2023 £'000	2022 £'000
Net cash (used in)/generated from operating activities	(716)	805
Net cash generated from investing activities	1,512	–
Net cash generated from financing activities	96	–

26. Post balance sheet events

After the reporting date, the Company successfully underwent an equity fundraising round, raising £3m of gross proceeds.

On 19 September 2023, 882,963,721 existing ordinary shares were consolidated into 17,659,275 new consolidated ordinary shares at a conversion ratio of 50:1.

After the year end, on 29 September 2023, the Directors determined that some of the share option schemes as disclosed in note 23 to the financial statements would be cancelled. As a result of the cancellation, some of the outstanding options under the schemes were forfeited and are no longer eligible for exercise by the option holders. The value of the forfeited share options at the date of the cancellation was determined to be £59,874. This amount represents the total expense that would have been recognised over the vesting period if the share options had not been cancelled.

Company statement of financial position

as at 30 April 2023

Registered number: 08882249

	Note	30 April 2023 £'000	30 April 2022 £'000
Fixed assets			
Investments	D	–	–
		–	–
Current assets			
Debtors	E	2,185	690
Corporation tax receivable		240	–
Cash at bank and in hand	F	218	1,326
		2,643	2,016
		2,643	2,016
Total assets			
Liabilities			
Current liabilities			
Creditors: amounts falling due within one year	G	(1,370)	(327)
		(1,370)	(327)
Total liabilities			
		1,273	1,689
Net assets			
Capital and reserves			
Called up share capital	H	1,699	1,699
Share premium account	I	18,923	18,923
Share-based payment reserve	I	320	255
Profit and loss account	I	(19,669)	(19,188)
		1,273	1,689
Total shareholders' funds			

The loss of the Company for the year ended 30 April 2023 was £505,000 (2022: £13,689,000). The notes on pages 69 to 73 form part of these financial statements.

The financial statements were approved by the Board of Directors on 30 October 2023 and were signed on its behalf by:

Paul Watts
Chief Executive Officer

Company statement of changes in equity for the year ended 30 April 2023

Note	Called up share capital £'000	Share-based payment reserve £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 May 2021	1,699	658	18,923	(6,038)	15,241
Loss and total comprehensive income	–	–	–	(13,689)	(13,689)
Lapsed options	–	(539)	–	539	–
Share-based payment transaction	–	137	–	–	137
Balance at 30 April 2021	1,699	255	18,923	(19,188)	1,689
Balance at 1 May 2022	1,699	255	18,923	(19,188)	1,689
Loss and total comprehensive income	–	–	–	(505)	(505)
Lapsed options	–	(24)	–	24	–
Share-based payment transaction	–	89	–	–	89
Balance at 30 April 2023	1,699	320	18,923	(19,669)	1,273

The notes on pages 69 to 73 form part of these financial statements.

Notes to the Company's financial statements for the year ended 30 April 2023

A. General information

Rosslyn Data Technologies plc is a company incorporated and domiciled in England and Wales. The address of the registered office is 1000 Lakeside North Harbour, Western Road, Portsmouth, Hampshire, PO6 3EN. The Company's principal activity is the provision of management services.

The principal accounting policies adopted in the preparation of the Company's financial information are set out below. The policies have been consistently applied to all the periods presented.

B. Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102, the financial reporting standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes; and
- financial instruments disclosures, including:
 - categories of financial instruments;
 - items of income, expenses, gains or losses relating to financial instruments; and
 - exposure to and management of financial risks.

Going concern

The Company financial statements have been prepared on a going concern basis in accordance with the basis of preparing the Group financial statements on a going concern basis. The Company financial statements have been prepared on a going concern basis in accordance with the basis of preparing the Group financial statements on a going concern basis. However, if the Group is unable to deliver upon its proposed revenue projections, or alternatively proposed cost reductions, there is limited headroom in the current forecasts and as such there is considered a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

Significant judgements and estimates

The preparation of the financial statements requires management to exercise judgement in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

On an ongoing basis the following areas involve a higher degree of judgement or complexity:

Estimates

- valuation of share-based payments; the Directors base their judgement on the Black-Scholes model (note K);
- valuation of the fixed asset investments; the Company is required to test whether investments have suffered any impairment. An impairment review requires management to make uncertain estimates concerning the cash flows, growth rates and discount rates of the assets or cash generating units under review;
- impairment of investment in subsidiaries – Management tests investments for impairment, if and when indicators of impairment arise using a discounted cash flow model; and
- recoverability of intercompany balances – These are considered on an annual basis through an impairment review, taking into account the future discounted cash-flows of the businesses involved. The Company has not impaired any intercompany assets in this financial year (2022: £4,309,000).

Taxation

Taxation comprises current and deferred tax. Current tax is the expected tax payable (or recoverable) for the current period, using tax rates enacted or substantively enacted at the statement of financial position date.

Except as otherwise required by accounting standards, full provision without discounting is made for all deferred taxation timing differences which have arisen but not reversed at the statement of financial position date. Timing differences arise when items of income and expenditure are included in tax computations in periods which are different from their inclusion in the financial statements. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be used.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on the rates that have been enacted or substantively enacted at the statement of financial position date.

Cash at bank and in hand

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Notes to the Company's financial statements continued

for the year ended 30 April 2023

B. Accounting policies continued

Financial assets

Classification

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Investments other than investments in subsidiaries are classified as either held-for-trading or not at initial recognition. At the year end date all investments are classified as not held for trading.

Trade receivables

Trade receivables are held in order to collect the contractual cash flows and are initially measured at the transaction price as defined in FRS 102, as the contracts of the Company do not contain significant financing components. Impairment losses are recognised based on lifetime expected credit losses in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances held by the Company and overnight call deposits. Financial liability and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Investments

Investments are stated at cost less provision for diminution in value. The carrying amounts of the Company's investments are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If such an indication exists, the investment's recoverable amount is estimated. An impairment loss is recognised in the statement of comprehensive income whenever the carrying amount of an investment exceeds its recoverable amount.

Share capital and share premium

Ordinary shares are classified as equity.

Share premium is the amount subscribed for share capital in excess of nominal value less any costs directly attributable to the issue of new shares.

Incremental costs directly attributable to the issue of new shares are shown in share premium as a deduction from the proceeds.

Debtors

Short-term debtors are measured at transaction price, less any impairment.

Creditors

Short-term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Share-based payments

The Company operates an equity-settled, share-based compensation plan, the Enterprise Management Incentive (EMI) Scheme. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted calculated using an appropriate option pricing model. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each statement of financial position date, the entity revises its estimates of the number of options that are expected to vest. Options issued under the scheme to Non-Executive Directors and other individuals who are not employees of the UK Company follow the EMI rules but are considered non-qualifying EMI options for tax purposes.

C. Result of parent company

As permitted by Section 408 of the Companies Act 2006, the income statement of the Company is not presented as part of these financial statements. The Company's result for the financial period is a loss of £505,000 (2022: loss of £13,689,000).

D. Investments

Cost	
At 1 May 2022	9,762
At 30 April 2023	9,762
Depreciation and impairment	
At 1 May 2022	9,762
At 30 April 2023	9,762
Net book value	
At 30 April 2023	–
At 30 April 2022	–

An impairment loss on investments was recognised in administrative expenses during the previous period following a test of future discounted cash flows of the two investment companies.

Principal subsidiary undertakings of the Company

The Company owns directly the whole of the issued and fully paid ordinary share capital of its subsidiary undertakings. The principal undertakings of the Company at 30 April 2023 are presented below:

Subsidiary	Nature of business	Country of incorporation	Cost	Proportion of ordinary shares held by Company
Rossllyn Analytics Limited	Provision of data analytics using a proprietary technology	UK	£8,725,000	100%
Rossllyn Data Management Limited	Provision of data analytics using a proprietary technology	UK	£1,037,000	100%
Rossllyn Analytics, Inc.	Provision of data analytics using a proprietary technology	US	–	–

Rossllyn Analytics, Inc. is a wholly-owned subsidiary of Rossllyn Analytics Limited.

E. Trade and other receivables

	2023 £'000	2022 £'000
Amounts owed by Group undertakings	2,015	479
Social security and other taxes	28	38
Other receivables	–	–
Prepayments	142	173
	2,185	690

Amounts owed by Group undertakings are repayable upon demand.

All financial assets are measured at amortised cost.

An impairment loss on amounts owed by Group undertakings was recognised in administrative expenses during the prior period following a test of future discounted cash flows of one Group undertaking from which amounts are due.

Notes to the Company's financial statements continued for the year ended 30 April 2023

F. Cash at bank and in hand

	2023 £'000	2022 £'000
Cash at bank	218	1,326

G. Trade and other payables

	2023 £'000	2022 £'000
Trade creditors	86	105
Corporation tax	–	86
Amounts owed to Group undertakings	1,153	–
Social security and other taxes	15	21
Other payables	3	4
Accruals	113	111
	1,370	327

Amounts owed by Group undertakings are repayable on demand.

All financial liabilities are measured at amortised cost.

H. Called up share capital

Allotted, issued and fully paid

Number	Class	Nominal value	2023 £'000	2022 £'000
2023: 339,862,521 (2022: 339,862,521)	Ordinary shares	£0.005 (2022: £0.005)	1,699	1,699

I. Reserves

The profit and loss account includes all current and prior period retained profits and losses.

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

The share-based payment reserve comprises the fair value of options granted under the Group's Enterprise Management Incentive Scheme, less reductions for those options that lapsed during the year.

J. Related party disclosures

The Company is the parent of a group, the consolidated financial statements of which precede the Company's financial statements. Accordingly, the Company has taken advantage of the exemptions in FRS 102 from disclosing transactions with 100% members of the Rosslyn Data Technologies Group.

K. Ultimate controlling party

There was no ultimate controlling party as at 30 April 2023 or 30 April 2022.

L. Share-based payment transactions

The Directors approved the allocation of equity-settled share-based payments to various staff members and key management personnel to help align employee interests with shareholder returns. Details of the share-based payment arrangements are described below:

A – Enterprise Management Investment Scheme

Date of scheme	24 April 2014
Contractual life	10 years
Number of employees in scheme	17
Vesting conditions	Vest on grant/vest over 1–3 years

	2023	Weighted average exercise price	2022	Weighted average exercise price
Outstanding at start of year	14,564,527	5.17p	25,412,702	6.11p
Granted	12,250,000	1.39p	9,183,672	4.90p
Exercised	–	–	–	–
Lapsed	(1,138,889)	–	(20,031,847)	6.24p
Outstanding at end of year	25,675,638	4.03p	14,564,527	5.17p

Grant Date	Vesting Date	Exercise Price	Number of options
14-Dec-22	13-Dec-23	0.99p	12,250,000
Total			12,250,000

The share-based payments become exercisable on the vesting date, and lapse on the 10th anniversary of the grant date.

During the year, an expense of £81,752 (2022: £137,000) was recognised in relation to the scheme, based on the Black-Scholes option pricing model.

B – Unapproved share option scheme

Date of scheme	14 December 2022
Contractual life	10 years
Number of employees in scheme	1
Vesting conditions	Vest over 1 year

	2023	Weighted average exercise price	2022	Weighted average exercise price
Outstanding at start of year	–	–	–	–
Granted	5,000,000	0.99p	–	–
Exercised	–	–	–	–
Lapsed	–	–	–	–
Outstanding at end of year	5,000,000	0.99p	–	–

Grant Date	Vesting Date	Exercise Price	Number of options
14-Dec-22	13-Dec-23	0.99p	5,000,000
Total			5,000,000

The share-based payments become exercisable on the vesting date, and lapse on the 10th anniversary of the grant date.

During the year, an expense of £7,500 (2022: £nil) was recognised in relation to the scheme, based on the Black-Scholes option pricing model.

Warrants

The Company's broker, Cavendish Securities plc (formerly Cenkos Securities plc), was granted warrants over 11,287,804 ordinary shares in the Company as part-payment for its services during a fundraising and acquisition in April 2017. The warrants were exercisable at a price of 4.5p per share between 15 May 2018 and 15 May 2022 provided that the closing mid-market price for the ordinary shares was at least 8p per share at the time of exercise. Cavendish Securities did not exercise the warrants, therefore, the warrants lapsed during the year.

Company information

Registered in

England and Wales

Company number

08882249

Registered office

1000 Lakeside North Harbour,
Western Road, Portsmouth,
Hampshire PO6 3EN

Company secretary

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London WC1V 7HP

Registrar

Link Group

10th Floor, Central Square,
29 Wellington Street,
Leeds LS1 4DL

Auditor

CLA Evelyn Partners Limited

4th Floor, Cumberland House,
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Southampton SO15 2BG

Nominated adviser and broker

Cavendish Securities plc

6.7.8 Tokenhouse Yard,
London EC2R 7AS

Solicitor

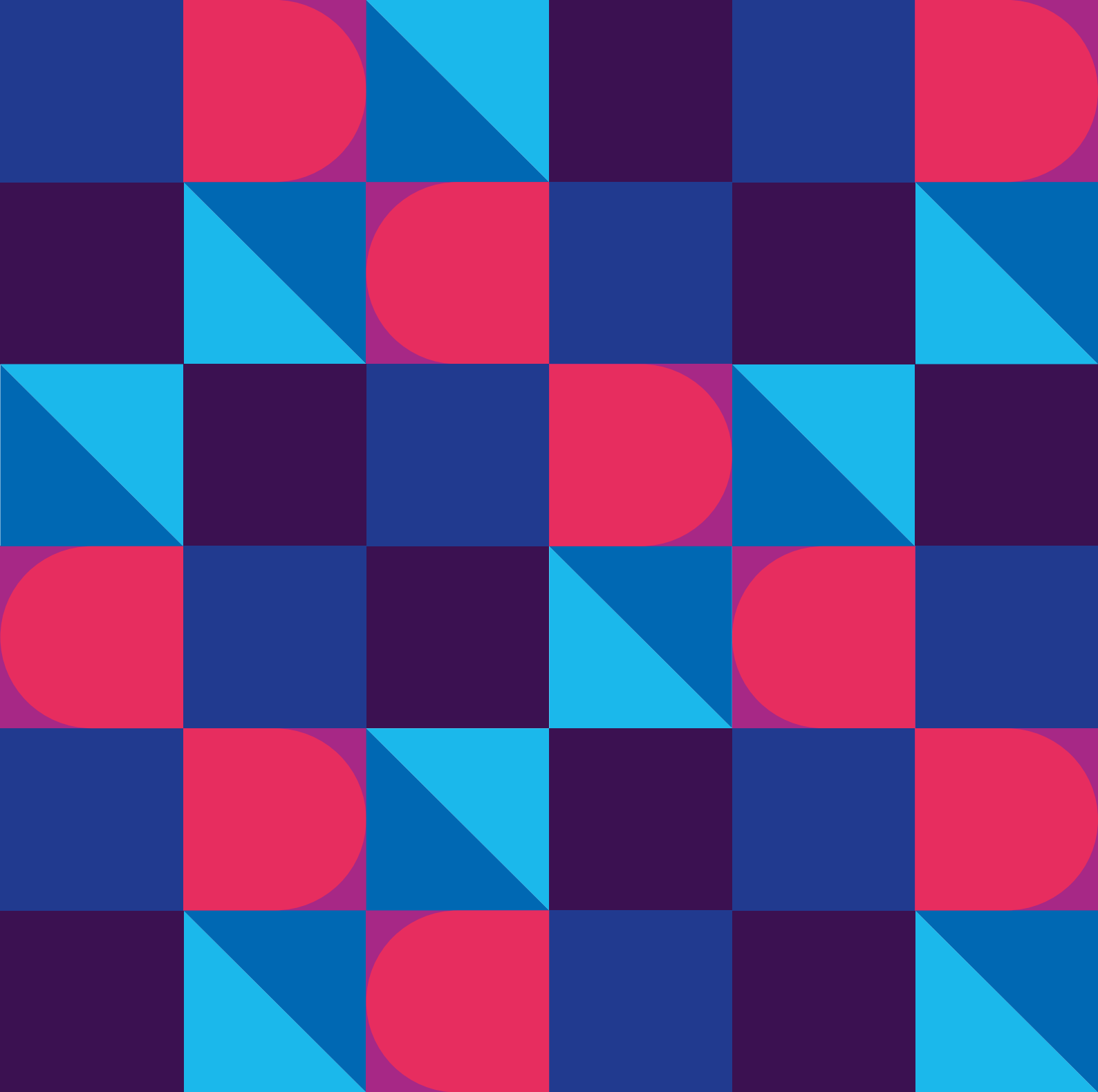
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