The technology company that speaks business

Rosslyn
Data Technologies

Rosslyn Data Technologies plc
Annual report and accounts 2019

Rosslyn Data Technologies is transforming the way that companies make critical decisions

Since 2005, Rosslyn Data Technologies has been at the forefront of helping organisations deliver accelerated business value through data insight. With thousands of users in over 50 countries, Rosslyn empowers organisations to automate critical business processes and analytics through simple, self-service tools.

A highly differentiated platform with great scalability

Our strategy
p. 10

Significant growth and market opportunity

Key performance indicators
p. 9

A strong talent base and experienced senior management team

Board of Directors
p. 12

Our award-winning platform is used by a host of prestigious multinationals:

AngloAmerican | AIR FRANCE KLM | DeLaRue | Heineken | McVitie's | NBCUniversal | SONY | TRANSPORT FOR LONDON | WEIR

Contents

See our business strategy in detail p. 10–11

Operational and strategic highlights

- Year of consolidation allowing us to accelerate growth in the coming years from a sound base.
- Significant investment into product development to broaden out the RAPid product offering, adding new tools and functionality.
- Integrating functionality from the Integritie product suite into our new supplier information management (SIM) suite.
- Secured high value contracts in various sectors including international logistics, civil defence, healthcare and pharmaceuticals, illustrating the broad appeal of our offering across the supply chain to chief procurement officers and chief financial officers in a wide range of sectors.
- Reduced cost base during the year through implementation of efficiencies in product development.

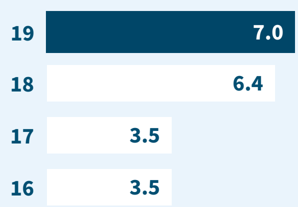
Financial highlights

- Revenue growth of 8.3% to £7.0m (2018: £6.4m).
- Annual licence fee revenue growth of 9.2% to £5.4m (2018: £5.0m).
- Operating EBITDA (excluding share-based payment costs) improved by 75% to a loss of £432,000 (2018: loss of £1.8m).
- Cash generated from operations of £220,000 (2018: cash used in operations of £3.45m).
- Cash balance at the year end of £2.0m (2018: £0.3m), after securing a £1.5m term loan from Clydesdale Bank, of which £1.0m had been drawn down at the year end.
- Administrative expenses reduced to £6.0m (2018: £6.9m).

Turnover (£m)

£7.0m

improved by 8.3%



Operating EBITDA loss (£m)

£0.4m

improved by 76%

The true value of data is being recognised

Being able to visualise data is not enough today. Senior executives need to be able to look into the future. This is why business and IT leaders are actively searching for new technologies that deliver better insights more quickly.

For organisations to survive, business transformation must be prioritised. Recent client wins demonstrate our ability to succeed in competitive processes across various industry sectors, including clients with very specific needs in their procurement functions. It is further validation that our RAPid analytics platform is the technology of choice for companies serious about leveraging the value of their data to improve business performance.

Data challenges facing decision makers	How Rosslyn helps decision makers
Fragmented data	Structured and unstructured data in one database
Poor data quality	Cleansed and enriched data for reporting and analysis
Limited data control	Integrated reporting and analytics with self-service tools
Delayed time to action	Event-driven alerts and automated business processes
One-off data usage	Feed and host business applications with data from RAPid

Historically, Rosslyn's key area of focus has been in the supply chain, in particular spend analytics. Today, our clients are looking for more integrated solutions which bring together compliance, operational workflows, contractual information and predictive insights.

Looking at where an organisation is going is far more important than looking at where it has come from. Most spend analytics solutions analyse historical spend without asking the right questions about the data being collected, what tangible benefits the data could bring to an organisation and how the data can be enriched. Looking forward, we should be asking what the spend forecasts, risks and compliance challenges we will be facing are.

The true value of data

Embracing the concept of "Fail fast, succeed faster", our award-winning RAPid platform empowers customers to:

Accelerate the time to insight from months to days by automating data processes.

Reduce IT infrastructure costs and improve agility by taking data into the cloud.

Empower business users to improve the quality and relevancy of data in real time.

Accelerate the development, testing and deployment of data analytics applications.

Integrate structured and unstructured data quickly, without the need for coding or data scientists.

Generate greater returns of investment on your existing data assets.

Procurement analytics

Say no to data silos and broken processes – automated procurement analytics will transform your way of working. Automatically extracts, integrates, cleanses and organises your data for accurate self-service reporting and analysis.

Benefiting from advanced Robotic Process Automation ("RPA") techniques, RAPid gives you spend visibility in days and complete control of your procurement data and processes that will improve operational performance and employee productivity overnight.

As your business objectives evolve, RAPid will evolve with you. If you require more insight into a different focus, simply add more data sources into the platform, rather than relying on costly bolt-on modules.

- Improve cash flow
- Monitor supplier performance
- Mitigate supply chain risks
- Manage contract compliance in real time

RAPid – the platform

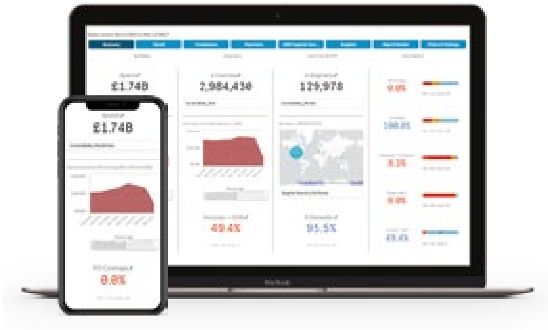
For procurement, the pressure to deliver massive savings, mitigate risks, improve supplier performance and much more requires a new approach.

It is why we developed RAPid, a single platform that aggregates all of your data to automate and simplify your way of working.

A single platform that can drive change across an entire organisation.

The RAPid platform

The Group's management team has spent over six years developing and commercialising its customer-centric cloud data platform, RAPid.



1

RAPid extracts, integrates and synchronises data from hundreds of sources.

2

RAPid then transforms and enriches this data, providing the user with tools to build charts, tables and apps in order to visualise the information and deliver insights.

3

This is all performed over a secure cloud connection, giving access from mobile, laptop or tablet.

The addition of Integritie functionality has enabled a broader product offering for supplier lifecycle management in our SIM product suite.

Delivering a full supplier lifecycle management suite

Supplier onboarding

Companies require a consistent structured way of onboarding suppliers, capturing both structured and unstructured data as part of the process. Quality is key to the wider procurement lifecycle.

Supplier management

Suppliers need management throughout the lifecycle to ensure they are compliant and to capture any changes to their business that might introduce risk.

Contract and document management

Version control, role-based access and approval workflows are key to a controlled contract creation and approval process. A single repository also helps bring structure to the process.

Supplier performance management

Visibility of supplier performance is key to ensuring the business is getting the most value but also working with the right suppliers.

Supplier risk management

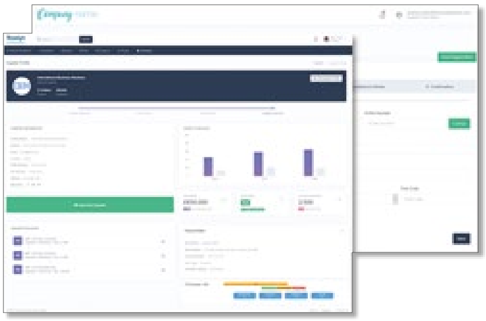
Risk can take many shapes including financial compliance, geographical or environmental techniques.

Spend analytics

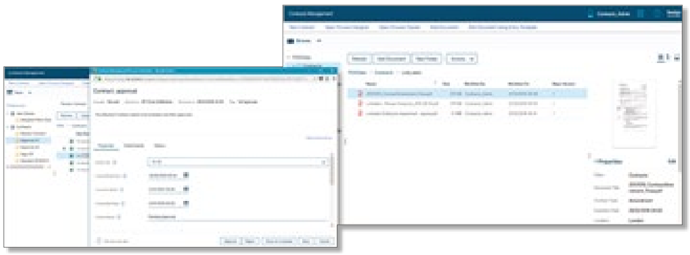
Spend analytics is key to understanding where you are spending money, who you are spending it with and where there are opportunities for cost savings or improvements.

With fully integrated Robotic Process Automation requiring minimal human intervention.

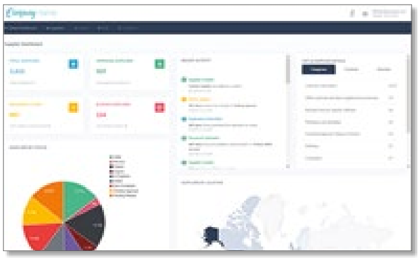
Supplier onboarding



Contract and document management



SIM/SPM



Savings tracker

Broader portfolio of reporting with enhanced user experience.

Data quality monitor

Visibility of customer's original supplier data and value-add to cleanse and enrich.

Metrics on level of supplier matching, deduping and parent-child linkages.

Detailed supplier analysis.

Supplier insights

Value insights into who the supplier is:

- level of risk?
- financial stability?
- socially responsible?
- regulatory compliant?

Information used alongside spend analysis to ensure better, informed decision making.

Procure-to-pay analytics

Analysis of the buying process and policy compliance, and opportunities for efficiency gains.

Spend analysis

Critical information around:

- who is buying what?
- from whom?
- how much?
- when?

Information organised around cost savings analyses opportunities.

Price analysis

Provides insights into items purchased to identify additional savings levers.

Potential analyses include:

- price variance;
- overcharges;
- demand management;
- specification rationalisation; and
- unit of measure optimisation.

James Appleby
Chairman

Strategy and operations

Following the integration of Integritie, in April 2017, last year has been one of consolidation, resulting in investment in product development, further reducing costs, and winning larger value contracts with a broader product offering. Moreover, we were pleased to have achieved a key milestone, with the Group having generated cash from operations for the first time since IPO.

The Integritie acquisition brought us additional functionality and we have fully integrated that functionality into the Rosslyn platform. We have also invested in new product development features to add tools to broaden out the RAPid product suite. These improvements will allow us to provide greater value to clients by being more embedded into their systems and processes. We have a product suite that we believe makes a material difference to our clients' operations.

Our cost base reduced during the year as we made technological efficiencies in our product development and client delivery processes which allowed us to use resources more effectively. We will continue to manage our costs tightly in line with our revenue growth. Our direct competitors are often larger and better funded than us and so we need to ensure that the message of the strength of our product is conveyed effectively.

Despite stiff competition, during the year we secured numerous high value contracts in various sectors including international logistics, civil defence, healthcare and pharma. This illustrates the broad appeal of our offering across the supply chain to chief procurement officers and chief financial officers in a wide range of sectors.

We were pleased to have achieved a key milestone, with the Group having generated cash from operations for the first time since IPO. In March we secured bank debt with Clydesdale Bank in the form of a term loan, and this together with our cash balance puts us on a strong footing to continue to invest in growth.

Moreover, being recognised as a bankable company by an institution such as Clydesdale, demonstrates confidence in Rosslyn as a maturing business as it prepares for future growth.

We have strengthened the Board through the addition of Ash Mehta as Chief Financial Officer in April, and Ginny Warr as Non-Executive Director in May. I took over as Chairman last October and our previous Chairman, John O'Hara, stayed with Rosslyn to assist the transition before stepping down in June. We are extremely grateful to John for his nine years of dedicated service to Rosslyn and wish him well for the future.

Outlook

We expect this year to be one in which we generate positive operating cash flow allowing us to fund further investment into products and sales channels. To this end, we will continue to manage costs tightly and appropriately in line with the level of new sales wins.

The Group is in discussions regarding contracts with additional high value blue-chip targets which would provide upside to the Group. These larger deals take longer to negotiate due to more decision makers being involved in our client organisations. This, coupled with the current global economic uncertainty and political uncertainty in the UK, means their execution timing can be harder to predict.

However, we continue to win new clients, including notably a large new client in the science-led sustainable technologies sector.

Therefore, even though it has been a slower start to the first few months of our new financial year than we had hoped, we are confident in achieving a positive outcome for the year.

The strategy continues as before, namely to grow the product offering and client base in the supplier analytics space whilst seeking acquisition opportunities to increase our scale and offering.

With a strengthened Board, cash resources, a focused team and an advanced suite of products to address a market in need of data analytics, the Group is well positioned for growth. I look forward to updating you on progress further later this year.

James Appleby
Chairman
16 September 2019

Roger Bullen
Chief Executive Officer

Strategy

This year, we continued with our strategic plan, which is to focus on ensuring the success of our customers and partners by providing them with world-class data-led solutions and business insights that deliver significant and sustainable business value. The demand for our software solutions has been high from enterprise organisations, both end-user customers and partners around the world.

Operations

During the year, we have made new investments to integrate and further develop our suite of solutions and products on the RAPid platform, adding new tools and capabilities, whilst ensuring the platform and solutions are more efficient, scalable and user friendly.

For example, we have capitalised on market demand and focused our software development on the supply chain market, introducing a complete supplier management solution including supplier onboarding, supplier performance management, and contract and document handling.

Moreover, we have introduced new technologies based on robotic process automation (RPA), alongside our integrated Neuro Linguistics Programming (NLP) and artificial intelligence. These technologies have enabled us to fully automate processes covering scheduling, extraction, transformation, load, enrichment, classification, and visualisation of spend data, as well as generate error reporting without any human intervention. We believe this to be a first in the market and a true differentiator against our competitors.

As well as contributing to better client servicing, these efficiencies have also allowed us to reduce internal costs to bring us closer to a positive EBITDA.

These developments demonstrate the versatility of our platform, which gives the user the ability to move from one view of a supplier to the next seamlessly. The improved platform enables our clients to achieve a holistic view of their enterprise data, as they are now able to manage documents, supplier performance, onboarding and other solutions from one easy to access place.

The improvements also allow Rosslyn to use the underlying features to enter adjacent markets which could use similar functionality.

Through our strong relationship with Microsoft and as a heavy user of their Azure cloud services we ensure that our flagship RAPid product remains at the cutting edge of technological development, enabling scale and efficiencies to be achieved at the lowest possible cost. Microsoft continues to recognise RAPid as one of the top cloud-based platforms in the market and also recognises Rosslyn as a preferred partner, issuing us with its “Co-Sell Recommended Partner” status, a significant achievement for us.

Data security remains at the forefront of our deliverables, and we are seeing our clients interested in migrating to their own cloud solutions, requesting our service be included in their cloud “stack” for reasons of data security. This has provided us with new opportunities; we have developed our system to be capable of being containerised and portable from one cloud solution to another. This allows security teams to comply with their company policies and puts us ahead of our competition in terms of flexibility.

Through our direct sales team, we have signed a number of new contracts during the year, notably with major global businesses headquartered in Northern Europe. These clients continue to increase in number and value as we drive to uplift our annual recurring revenue and our overall average contract values. The new clients have contributed to our highly diversified and complex client base and provide us with excellent opportunities to demonstrate the scalability, value and efficiency of the RAPid platform to our partners and clients.

Whilst the majority of revenues still come from our direct sales team, we continue to seek traction through our partnership strategy. We have signed a number of new partnership agreements and continue to roll this programme out around the world.

See our business strategy in detail p. 10

Operations continued

We are now also seeing developments in the market that enable us to expand our offerings to include services covering compliance, logistics, complaints, workflow management, risk, corporate social responsibility and workforce management, all adjacent to the supply chain. We are excited about these new opportunities and our growing capabilities to help clients improve revenue generation, profitability and business efficiencies with us.

In the year ahead it is our intention to add to the sales and business development teams as necessary to fulfil the Company's growth ambitions. We have been able to streamline development processes, which has led to an overall decrease in the number of employees compared to previous years. This ensures we are more balanced as a Company with more sales resource to achieve our growth objectives.

Our staff have positively contributed to our growth. The two teams of Integritie and Rosslyn are now a single team and we have worked to develop a supportive culture with open communication in which employees are empowered to propose and implement improvements. We are also working to foster closer working between our Sales team and Development team to better identify client needs and incorporate them into our product development plan. On behalf of the Board I would like to thank the staff for their outstanding efforts during the year.

Outlook

In summary, we are seeing the benefits from the investments that we have made. Our solutions and products are becoming extremely well known and recognised for innovation, and we have a strong unified team of people driving our growth. I would like to join James Appleby and the Board in thanking our employees and shareholders, without whom none of this would be possible. I look forward with confidence to the 2019–20 financial year.

Financial performance

Revenue

We adopted IFRS 15 a year early last year and so the results shown for the current and prior year are both shown on that basis, without restatement. Revenue for the year grew 8.3% to £7.0m (2018: £6.4m). Underlying annual licence fee revenue showed growth of 9.2% to £5.4m (2018: £5.0m). This growth was underpinned by sales of RAPid to large clients in sectors such as international logistics, civil defence, healthcare and pharmaceuticals.

Gross margin

The gross margin percentage increased to 79.7% (2018: 76.1%) as we worked hard to reduce our cloud storage and processing costs through more efficient utilisation of this resource.

EBITDA

The increase in revenues and gross margin percentage, coupled with administrative expenses being reduced by 12.6% to £6.0m (2018: £6.9m), has resulted in an EBITDA (excluding share-based costs) improved by 76% to a loss of £432,000 (2018: loss of £1.8m).

Research and development

We continue to invest significantly into research and development for our product range. During the year the Group spent £1.1m (2018: £0.7m) on tax relief qualifying research and development in order to broaden out the RAPid product offering, adding new tools and functionality and also fully integrating functionality from the Integritie product suite. These costs are fully expensed as they are incurred and excluding this investment operating EBITDA would have been a profit of £0.7m (2018: loss of £0.7m).

Loss before income tax

The loss before income tax for the year was £1.7m (2018: £3.7m). This includes the impact of £1.0m (2018: £1.0m) of amortisation of intangible assets arising from the Integritie acquisition in 2017.

Cash flow and funds

The cash balance at the year end was £2.0m (2018: £0.3m). During the year we secured a £1.5m term loan from Clydesdale Bank of which £1.0m had been drawn down at the year end. Part of this drawdown was used in April and May 2019 to repay loan notes taken on in the acquisition of Integritie totalling £134,000 and £626,000 respectively. Most importantly, for the first time since IPO the Group generated cash from operations.

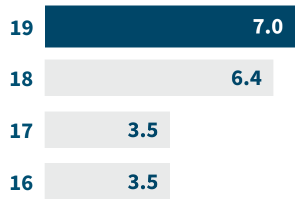
Roger Bullen
Chief Executive Officer
16 September 2019

Monitoring our progress

Turnover (£m)

£7.0m

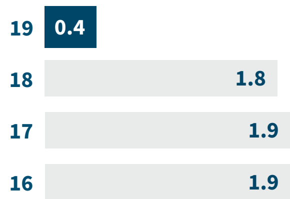
improved by 8.3%



Operating EBITDA loss (£m)

£0.4m

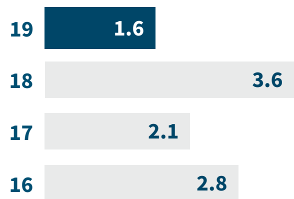
improved by 76%



Operating loss (£m)

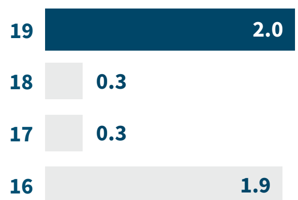
£1.6m

improved by 55%



Year-end cash (£m)

£2.0m



Supplier information management (SIM)

Whilst spend analysis provides one set of insights, it is limited. We need to add to these insights, to provide increased information relating to future spending requirements. Data analytics for the modern procurement professional needs to provide support to the strategy and inform the user of upcoming challenges and the steps needed to meet projected profitability. This type of predictive analytics is flexible and can also be used to adjust growth estimates, compliance and supplier performance. Used effectively, it can ultimately control the organisational spend in line with performance.

Moving beyond spend analytics

Once the spend requirement has been identified, it is important that the workflow management systems are capable of supplier risk monitoring on major projects. This can be introduced by predicting incidents that could potentially arise and gaining an understanding of what issues are on the horizon, going beyond just examining the current known risks.

Simply monitoring current workflow systems is not enough; near real-time systems will be needed to collect feedback from those that are closest to the issues. Traditionally we might call it “walking the factory floor” but, essentially, it is crucial to capture the insights from conversations happening internally.

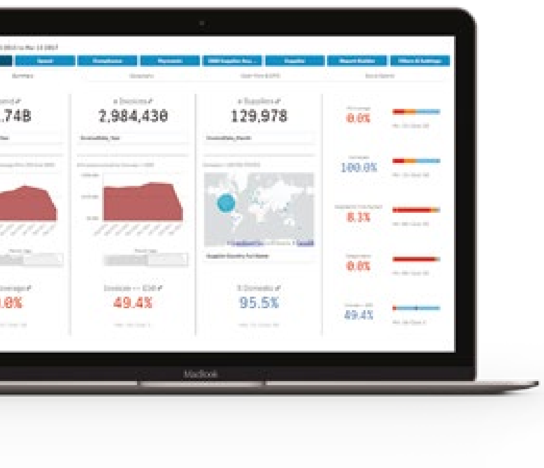
This insight is extremely valuable as the Supply Chain team needs to be able to react instantly to demand-driven requirements. Constant monitoring and management are needed to capture insights from touchpoints such as social media, email, contracts, qualitative surveys and other non-traditional data to enable predictive insight and build a shared source of reality for factory and/or supply chain risk.

New risk mitigation insights are needed that go beyond simply avoiding politically sensitive production locations, exposed individuals, sanctions and financially unstable suppliers. With intelligent risk mitigation, it is possible for businesses to drive better informed business decisions and improve community impacts, all while establishing a sustainable supply chain. Having achieved all of this, we then need to ensure that contract management capabilities are fully integrated, and that discounts, rebates, pricing, etc. (all of which are included in a contract) are embedded into the monitoring and measurement systems.

Contract compliance may well become the best source of sustainable cost reduction in the years to come.

It is simple for RAPid users to understand how much has been spent in a category, in which cost centres, and in which locations. They are also able to see the volume of invoices and purchase orders, slicing and dicing the data as they see fit.

With the new enhancements we are making to the platform, customers can now compare their data to their contracts, understand how suppliers are performing against pre-set targets, compare business goals and budgets, provide detailed price performance variance analysis on what has been bought, and derive the insights necessary to support their strategy with sufficient demand knowledge to negotiate global tenders. This level of information allows Rosslyn customers to ensure that once a supplier is contracted, the value delivered to the business is continuously managed, monitored and improved.



Read more: **www.rosslyndatatech.com/solutions/procurement-solutions/supplier-information-management/**

An organisation that cares

At Rosslyn, we have made a commitment to be an ethical and socially responsible organisation that our customers can be proud to do business with.

At Rosslyn we strive to:

- improve our environmental performance;
- reduce waste by the use of recycling;
- operate an equal opportunities policy for all present and potential future employees;
- provide and maintain a clean, healthy and safe working environment;
- uphold the values of honesty, partnership and fairness in our business relationships; and
- encourage suppliers to adopt responsible business policies and practices.

At Rosslyn, our Corporate Social Responsibility (CSR) initiatives span a wide range of activities.

We prefer to work with suppliers who adopt responsible business policies and practices. For example, our largest supplier, the cloud service provider Microsoft Azure, is carbon neutral. On a smaller level our latest company staff meeting was held Coin Street Community Builders, a social enterprise in Southwark which provides the opportunities and spaces for people to lead their own change through enterprise, creativity and lifelong learning whether that's through providing employment, volunteering opportunities, nurturing enterprise or delivering programmes and activities.

Rosslyn supports employees in their outside activities giving them time off for voluntary and charitable work. Our employees have been involved in activities such as:

- mentoring Army personnel prepare for life after the army; and
- coaching students at the Lilian Baylis Technology School, Kennington, a state school for 11-19 year olds, with a particular focus on IT.

During the year we also worked on a pro bono basis with Barnardo's, the children's charity. We were able to assist them in improving their data management strategy involving work on data quality, analysis, data security, and processes. These improvements enable them to have better insight into their spend.

In last year's report we spoke about our support for Cancer Research UK. This year, one very notable event was our support for the adventure pilot and cancer survivor Amanda Harrison in her flight from London to Darwin.

Amanda's motivation for this challenge was:

- to inspire cancer survivors to achieve great things in their life;
- to inspire women to achieve their dreams;
- to inspire dyslexics to achieve and see dyslexia as a gift not a disability (Amanda is severely dyslexic);
- to promote STEM subjects amongst women; and
- to promote women in aviation.

Amanda made it all the way to Beirut achieving a world record and several unofficial records for endurance flying but was stopped by geo-politics between India and Pakistan as well as Iran and the USA. So far she has managed:

- 2,592 nautical miles;
- 45 hours of flying; and
- 14 stops in 11 countries.

Amanda who is the partner of Rosslyn's COO, Mike Wigg, plans to complete the challenge in 2020.

This year has also seen Rosslyn sharing its knowledge and technology with the third sector to help charities strengthen their finances. Our current focus is helping a leading disability charity to identify potential efficiency gains in their processes, allowing them to focus more of their donations towards supporting health and welfare outcomes for disabled individuals in the UK.

Experienced leadership

James Appleby
Chairman

A R

James has over 25 years' experience in the IT industry where he has grown teams and capabilities globally. In 2002 James founded Bluefin Solutions, a global consultancy that helps deliver digital transformation powered by SAP. As CEO he grew the business globally to approximately 250 people, based on his passion for leadership, values and strategy. Following the sale of Bluefin in 2015 he remained with the parent company taking on a larger role. James now acts as chairman and non-executive to a small number of fast growth technology companies. He has a Master of Arts in Engineering from Cambridge University, and was appointed to the Board on 20 July 2018.

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.

Roger Bullen
Chief Executive Officer

Roger has more than 20 years of finance, executive and operational leadership experience in technology-based companies, including start-ups, large caps and consulting firms. Roger's experience covers working with national, US and global companies. Roger held senior roles with Navigant Consulting Inc. as head of the international division and Sapient Inc. as VP international finance. He has also worked with private equity companies and been successful in taking companies to market and trade sale. Roger has been a shareholder in Rosslyn Analytics Ltd and, subsequently, in Rosslyn Data Technologies plc since Charlie Clark and Hugh Cox established Rosslyn. He has been a member of the Chartered Institute of Management Accountants since 1990.

Skills and experience

Roger's successful track record in software businesses has given him the experience and credentials to lead the Group as its Chief Executive and to help devise and manage the delivery of its strategic goals and operational performance.

Ash Mehta
Chief Finance Officer

Ash Mehta qualified as a chartered accountant with KPMG, following which he worked in commercial finance roles in US multinationals. He has since held senior financial roles in a variety of growth companies, listed as well as private and family-office backed. Ash has extensive experience in strategic finance, managing growth, fundraisings and acquisitions. Ash is also a non-executive director of AIM-quoted Northbridge Industrial Services plc.

Skills and experience

Ash's professional qualification, together with his extensive experience in senior finance roles in listed companies, equips him to be an effective CFO. His wide business experience in commercial finance roles allows him to offer a broad input into strategy formulation and corporate finance.

Charles Clark
President

Charles is a highly experienced and well-regarded senior executive. He co-founded Rosslyn Analytics Ltd and, prior to this, was an investment banker. Charlie has extensive experience of working with fast-growing companies and capital markets. Consistently recognised as a pioneer and leader in cloud analytics, and for his leadership in establishing Rosslyn Analytics, Charlie is also a prolific writer and speaker on the subjects of data management and cloud analytics. Charlie served with the British Army during Desert Storm and holds an MBA from City University Business School, London. He is a Fellow of the Securities Institute and is an Accredited Associate of the Institute for Independent Business.

Skills and experience

Charles brings to the Board the experience gained from his career in the software sector which, together with his involvement in all the major areas of activity and development of the Group's operations, enables him to contribute to the Board on a broad range of operational and strategic issues, with emphasis on products, markets, customers and industry partners.

Hugh Cox
Chief Data Officer

Hugh co-founded Rosslyn Analytics Ltd with Charlie Clark. Hugh is a recognised expert in helping public and private sector organisations tackle business issues through technologies including cloud computing, data management and analytics. Hugh has authored and spoken extensively on the subject of data analysis, with particular focus on fraud prevention and detection, through the deployment of cloud-based analytics platforms. Prior to establishing Rosslyn Analytics, Hugh held senior positions with COO Investments (EMEA) and Citigroup Private Bank. He also worked for Perot Systems, J.P. Morgan and Logica. After leaving the British Army, Hugh gained a Bachelor of Science degree in Computer Science and an MBA from City University Business School, London.

Skills and experience

Hugh's broad experience in technology businesses and his knowledge of trends in technology are an invaluable contribution to the Board, as is his understanding of and innovation in client needs.

Barney Quinn
Non-Executive Director

A R C

Barney has over 30 years' experience with application software and latterly cloud-based companies. For 13 years, Barney was a main board director of Sherwood International plc, a provider of software and services to the insurance industry which was listed on the LSE. He was also CEO of Workplace Systems International plc, an early provider of cloud-based workforce management software which was AIM listed and which he took private. Today in the public company world Barney is non-executive chairman of the Atlanta-based Clearstar Inc. which is AIM listed and provides background screening services. In the private equity world he is non-executive chairman of Arkivum, in the digital preservation sector, and Oxehealth, a health technology provider. Barney is also a founder of Gotus Consultancy which provides scale-up international expansion advice to the technology sector. Other interests include Voyage Brand & Communications, a creative company, and Parago Software, which specialises in asset management software for the education sector.

Skills and experience

Barney's extensive experience in software companies both private and public, along with his wide network of contacts, allows him to give broad constructive input into the Board and its Committees, and also to represent the Board to external stakeholders.

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 30 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 Group as it develops products and markets.

Committee key:
- A Audit Committee
- R Remuneration Committee
- C Committee Chairman

The Directors present their report and audited consolidated financial statements for the year ended 30 April 2019.

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 Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group 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 the Alternative Investment Market.

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 they have been prepared in accordance with IFRS as adopted by the European Union and applicable UK accounting standards, 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 Group and Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006.

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

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. 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. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Principal activity

The principal activity of the Group continued to be the development and provision of data analytics software, data capture, data mining and workflow management.

Business review and future developments

A review of the Group's operations and future developments is covered in the Business and Financial Review on pages 7 and 8.

Financial results

Details of the Group's financial results are set out in the consolidated statement of comprehensive income and other components of the financial statements on pages 27 to 45.

Dividends

The Directors do not recommend the payment of a dividend (2018: £nil).

Going concern

Notwithstanding that the Group has made losses in the current year, these financial statements have been prepared on the going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due.

The Directors have prepared cash flow statements for the periods to 30 April 2021 to ensure going concern criteria are met. Provided the Group achieves its forecasts for the forthcoming year, the Group will be able to pay its employees and suppliers and be in a cash positive position. Should the Group fall short of its revenue forecast it may need to reduce costs accordingly to maintain cash balances.

Having considered the forecasts and scenario actions for any downturn, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing these financial statements.

Annual General Meeting

On page 53 is the Notice of the Company's Annual General Meeting to be held at 154–160 Fleet Street, Blackfriars, London EC4A 2DQ on 17 October 2019 at 11.00am.

Directors and Directors' shareholdings

The Directors who served on the Board and on the Board Committees during the year are as follows:

Roger Bullen
Charles Clark
Hugh Cox
Barney Quinn
Ed Stacey (resigned on 19 July 2018)
John O'Hara (resigned on 30 June 2019)
James Appleby (appointed on 20 July 2018)
Ash Mehta (appointed on 23 April 2019)
Virginia Warr (appointed on 20 May 2019)

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

Details of the Directors' remuneration and share option rights are given in the Remuneration Report on pages 20 to 21.

Research and development

During the year the Group spent £1,090,000 (2018: £683,000) on tax relief qualifying research and development for the purpose of enhancing the Group's product offerings. All amounts were expensed during the year.

Substantial shareholders

The Company has been notified that the following investors held interests in 3% or more of the Company's issued share capital as at 16 September 2019:

Shareholder	Number of shares	Percentage of issued ordinary share capital of the Company and voting rights
Kestrel Partners LLP	42,500,000	22.03%
Gresham House Asset Management Limited	21,275,000	11.03%
Amati AIM VCT plc	17,024,692	8.82%
Miton Group plc	14,966,955	7.76%
Hugh Cox	11,276,111	5.85%
IQ Capital Fund LP	11,062,712	5.73%
Charles Clark	9,876,415	5.12%

Employees

It is the Group'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 Group 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.

Political and charitable donations

During the year the Group made no political donations (2018: £nil) and made charitable donations of £nil (2018: £nil).

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 in note 21 to the financial statements.

A summary of key risks and their mitigation is shown on pages 18 and 19.

Supplier payment policy and practice

The Group does not operate a standard code in respect of payments to suppliers. The Group agrees terms of payment with individual suppliers and makes payments in accordance with contractual and other legal obligations.

The ratio, expressed in days, between the amount invoiced to the Group by its suppliers during the year ended 30 April 2019 and the amount owed to its trade creditors at 30 April 2019 was 45 days (2018: 57 days).

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 he ought to have taken to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor's independence

The non-audit work undertaken in the year by the Group's auditor, Grant Thornton UK LLP, was restricted to advice on tax matters for the Group.

Independent auditor

A resolution for the re-appointment of Grant Thornton UK LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

Ash Mehta
Chief Financial Officer
16 September 2019

This Corporate Governance Statement addresses how the Group complies with each of the ten principles of the QCA Code; however, further disclosure relating to each principle can be found in other sections of this annual report as indicated below:

No.	Principle	Disclosure in the 2019 annual report
1.	Establish a strategy and business model which promotes long-term value for shareholders	Pages 1 – 11
2.	Seek to understand and meet shareholder needs and expectations	Page 17
3.	Take into account wider stakeholder and social responsibilities, and their implications for long-term success	Page 11
4.	Embed effective risk management, considering both opportunities and threats, throughout the organisation	Page 15
5.	Maintain the Board as a well-functioning, balanced team led by the Chairman	Page 16
6.	Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities	Pages 12 – 13
7.	Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	Page 16
8.	Promote a corporate culture that is based on ethical values and behaviours	Page 17
9.	Maintain governance structures and processes that are fit for purpose and support good decision making by the Board	Pages 16 – 17
10.	Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	Page 17

Strategy

The Group delivers data analytics solutions to multinational clients enabling them to extract business value through data insights and automating critical business processes and analytics through simple self-service tools. For further information on the strategy, please see the Strategic Report on pages 1 to 11 and for more information on the key challenges posed to the Group in executing the strategy, please see pages 18 and 19.

Board of Directors and Board Committees

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

Day-to-day management of the Group is delegated to the Executive Directors, 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. 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.

At the end of the financial year the Board of Directors consisted of four Executive and three Non-Executive Directors. The Board believes this to be an appropriate mix of skills and roles to act in the best interests of shareholders and stakeholders. The roles of Chairman and Chief Executive Officer are separate. The Chairman leads Board meetings and Board discussions and has responsibility for the Board's overall effectiveness. The Chief Executive Officer is responsible for the achievement of the Group's strategic and commercial objectives.

The Board meets on a regular basis. During the year from 1 May 2018, the Board met eleven times. In addition the Board Committees met a number of times. Table 1 shows the attendance of the relevant Directors at these meetings. Formal agendas and briefings are prepared for Board meetings, allowing all Directors to participate fully in the meetings. The Directors all have access to independent advice, if required, in respect of their duties from a variety of professional advisers. The Company maintains an appropriate directors' and officers' insurance policy in respect of legal actions against the Directors or officers.

The Board has three Committees, each with defined terms of reference. They are the Audit Committee, the Remuneration Committee and the Nomination Committee. Barney Quinn is the Senior Independent Non-Executive Director and chairs each of the Board's Committees. The Chairman, James Appleby, is a member of each of the Board Committees.

The performance of the Board is assessed by the Chairman, in conjunction with the Senior Independent Director. 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. In the coming year, the Board intends to undertake an internal evaluation with the assistance of external advisers.

Number of meetings attended/meetings in year or period of tenure

	E Stacey	J O'Hara	R Bullen	C Clark	H Cox	J Appleby	B Quinn	A Mehta
Board (scheduled)	3/3	10/11	11/11	10/11	11/11	8/8	11/11	1/1
Audit Committee	—	2/2	—	—	—	2/2	2/2	—
Remuneration Committee	—	3/3	—	—	—	1/1	3/3	—

Board Committees

The Board has three 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 Barney Quinn. James Appleby is the other permanent member of the Committee, which co-opts other Directors and senior employees as necessary into its deliberations. The Executive Directors may also attend meetings as appropriate to the business in hand but are not members of the Committee. 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 Barney Quinn. James Appleby is the second permanent member of this Committee. 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 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.

Nomination Committee

The Nomination Committee is chaired by Barney Quinn. James Appleby is the other permanent member of this Committee, which co-opts other Directors as necessary for its deliberations. The Committee is responsible for considering the selection, and re-appointment, of the Directors. It is also responsible for identifying and nominating candidates for Board vacancies. The Committee reviews the size, structure and composition of the Board and makes recommendations to the Board for any changes. The Committee meets on an as necessary basis.

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.

Investor relations

The Chief Executive Officer and Chief Financial Officer meet with analysts and 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 Group.

The Directors encourage the participation of all shareholders, including private shareholders, at the Annual General Meeting. The annual report and accounts is published on the Company's website, www.rosslyndatatech.com, and can be accessed by shareholders and potential investors.

Internal control and risk management

The Board is responsible for the Group'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 Directors of the Company are actively involved in the daily management of the operations of the Group. Business risks are regularly identified and appropriate control systems are implemented to manage those risks.

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

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

- an annual budgetary process to set appropriate measurable targets for monitoring Group 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.

Social responsibilities

The Group is committed to sustainable progress in all aspects of our business – for the environment, customers, suppliers and communities we operate in. The Group's stakeholders include shareholders, members of staff, customers, suppliers, regulators, industry bodies and creditors, including the Group's lending bank. The principal ways in which their feedback on the Group is gathered are via meetings, direct conversations, email and social media.

Corporate culture

The Board promotes the highest level of behaviour and ethics. The Group adheres to the highest level of quality and ethics. The Group's anti-bribery policies can be found on its website.

Barney Quinn
Chairman of the Audit Committee
16 September 2019

How we manage risks

Risk	Description	Mitigation	Change during year
Dependence on key executives and technical personnel	The Group's future success depends on its senior management, senior sales and marketing executives and key technical staff. The Group 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 Group. It is possible that key staff members may join competitors or establish competitor businesses in their own right.	The Group continues to invest in improving HR in order to ensure good recruitment and onboarding of new employees. Training is provided as needed within the Group to allow employees to develop the necessary skills for their changing roles. Share options are available to incentivise key staff. Recent appointments to the Board illustrate the ability of the Group to recruit talented people to the organisation. Moreover the senior management team has been stable during the year with no loss of key staff.	→
Technical change	The Group 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 Group's prospects.	The Group continues to invest significant resources into research and development. The Board believes that constantly evolving the product offering best protects the Group against technological change. During the year the Group has continued to invest significantly into R&D by broadening out the product offering into the supplier information management application. The Group is also undertaking practical development into the use of artificial intelligence in the RAPid suite.	→
Reliance on key systems	The Group's reliance on certain key systems and technologies for its continuing operations exposes the Group to significant risk as the systems are vulnerable to interruption and damage. The interruption and damage of the Group's systems may be due to events beyond the control of the Group; these events include, but are not limited to, natural disasters, telecommunications failures, power losses, computer viruses and terrorist attacks. Downtime arising from such events may have a material detrimental effect upon the Group's performance and profitability.	The Group maintains disaster recovery plans. These are designed to allow the business to function properly against many foreseeable events. However, certain events are beyond the management's ability to build cost-effective solutions. Acts of terrorism and total loss of the internet fall into these categories. Management recognises the Group's exposure to key systems and seeks to minimise its risk on a cost-realistic basis. The Board considers this risk to remain unchanged as the expanded Group continues to be reliant on key systems such as the internet.	→
Customer risk	The Group 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 Group may place strains upon these functions and processes. There can be no guarantee that the Group will be able to achieve its current retention rates.	The Board recognises that customer care is a very important attribute to business in the service sector. Clients are supported by the Customer Success team. The Board regards customer satisfaction and low churn as important signals. Nevertheless some client turnover can be expected for reasons which do not necessarily reflect poor service. Change of control of a customer, as an example, may give rise to different supplier choices. The Board consider this risk to remain unchanged as the expanded group continues to work with large corporates.	→

See our business strategy in detail p. 10

Risk	Description	Mitigation	Change during year
Competition risk	The sector in which the Group operates is competitive and there can be no certainty that the Group will be able to achieve the market penetration it seeks. There can be no guarantee that the Group'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 Group.	The Group sees a competitive market environment as an opportunity as much as a threat. Investment in people, systems and products represents the best defence in a competitive marketplace and the Board continues to invest in all these areas. The Board considers this risk to remain unchanged.	→
Product risk	The Group 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 Group's reputation and lead to an adverse effect on the Group's business and financial performance.	Products and new releases are rolled out to the market, after extensive internal testing, in a progressive manner. The Group seeks to release fully functional products but the nature of software includes a risk of unidentified bugs existing in the system. The Group is capable of rolling back to previous versions of software if absolutely necessary. The Board considers this risk to remain unchanged as the expansion in our product range provides a counterbalance to the risk associated with the failure in an individual new product release.	→
Political, economic and legislative risks	The Group may be adversely impacted by developments in the political, economic and regulatory environment, including Brexit, in which the Group 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 Group operates may impact the demand for the Group's products and services. Such changes in demand may cause an adverse impact on the Group'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 Group's financial performance.	The Group 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. The Board has considered the impact of Brexit on the Group and has concluded the impact will be low and principally related to currency fluctuations affecting foreign currency contracts with clients. The global nature of the customer base and the ability to move the technology stack from one country to another, whilst already maintaining separate data centres in multiple locations, the UK, Europe and the USA, enable the Group to continue to trade unhindered, which is why the risk remains unchanged.	↗
Data security	The Group handles large volumes of client data from multiple data centres around the world. In spend analysis alone we actively manage information from circa 9 million suppliers covering nearly 1 trillion (GBP) of spend. Confidentiality, integrity and accessibility of this data is our top priority. The number of global security breaches reported is on the increase as cyber-attacks become ever more sophisticated, automated and state sponsored. To ensure our levels of data security, for both our clients' data as well as our own, remain as effective as possible we undertake daily vulnerability scans as well as regular penetration testing exercises. These external security tasks complement the implementation of the full security stack offered within the Microsoft Azure platform.	The Group has appointed a Chief Information Security Officer, with a seat on the Board, whose responsibility it is to ensure that all policies, procedures and standards are maintained. This not only includes cyber security but also the management of GDPR and the continuing ISO 27001 accreditation.	↗

Remuneration Committee

Membership and the responsibilities of this Committee are set out below. The Committee is chaired by Barney Quinn. James Appleby is the other permanent 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.

Meeting and attendance in 2018–19

The Committee met three times in the year. The attendance is shown in the Corporate Governance Report on page 16.

Remuneration policy

The objective of the remuneration policy is to ensure that the overall remuneration of the Executive Directors, and key Senior Executives, is designed to attract, retain and motivate them to generate performance aligned to creating sustainable shareholder value, within acceptable risk tolerances. The remuneration of Senior Executives is managed to ensure an appropriate balance relative to other employees in the Group.

Executive Directors' remuneration

In the year under review, Executive Directors' total remuneration packages comprised:

- fixed pay, including base salary and pension contributions; and
- variable pay, comprising bonus opportunities and on an individual basis access to the EMI Share Option Scheme.

Activities during the year

During the year the Committee undertook the following activities at its meeting:

- review of Executive remuneration strategy and policy;
- approval of bonuses to the Executive Directors; and
- review of proposed grants of share options under the EMI Share Option Scheme and the approval thereof.

Directors' remuneration

The table below sets out the aggregate remuneration of the Directors.

	Salary/ commission £'000	Bonus £'000	Benefits £'000	Fees £'000	Pension £'000	Share-based payments £'000	**30 April 2019 Total £'000**	30 April 2018 Total £'000
Executive Directors								
Roger Bullen	160	—	—	—	16	—	**176**	178
Charles Clark	185	—	—	—	12	—	**197**	170
Hugh Cox	120	—	7	—	12	—	**139**	139
Ash Mehta	3	—	—	—	—	—	**3**	—
Non-Executive Directors								
James Appleby	33	—	—	—	—	—	**33**	—
John O'Hara	40	—	—	—	—	—	**40**	50
Barney Quinn	30	—	—	—	—	—	**30**	30
Ed Stacey[i]	—	—	—	14	—	—	**14**	35

Notes

(i) Ed Stacey is an employee of IQ Capital Partnership LLP and surrendered his salary to that company.

Directors' interests

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

	30 April 2019		30 April 2018	
Director	**Number of shares held**	**Percentage of issued ordinary share capital**	Number of shares held	Percentage of issued ordinary share capital
Charles Clark	**9,876,415**	**5.13%**	10,076,415	5.36%
Hugh Cox	**11,161,201**	**5.79%**	11,011,201	5.85%
Roger Bullen	**2,559,883**	**1.33%**	2,559,883	1.36%
John O'Hara[(i)]	**1,358,281**	**0.70%**	1,358,281	0.72%
James Appleby	**4,545,454**	**2.36%**	—	—
Barney Quinn	**614,595**	**0.32%**	614,595	0.33%
Ash Mehta	**—**	**—**	—	—

Notes

(i) Includes 151,680 ordinary shares held by Fundsdirect Nominees Limited as trustee of John O'Hara's self-invested personal pension.

Between 30 April 2019 and the balance sheet approval date Hugh Cox acquired a further 114,910 bringing his holding to 11,276,111 ordinary shares, representing approximately 5.85% of the Company's issued share capital. Charles Clark sold 150,000 bringing his holding down to 9,726,415 shares, representing 5.04% of the Company's issued share capital. During that period, before his resignation John O'Hara exercised 240,000 share options bringing his holding to 1,598,281 ordinary shares, representing 0.82% of Rosslyn's ordinary shares.

Share options

The Directors who served during the year and their interests in the Company's share options were:

	30 April 2019		30 April 2018	
Director	**Share options**	**Weighted exercise price**	Share options	Weighted exercise price
John O'Hara	**240,000**	**0.50p**	240,000	0.50p
Roger Bullen	**6,546,559**	**7.64p**	6,546,559	7.64p
Charles Clark	**1,777,778**	**5.62p**	1,777,778	5.62p
Hugh Cox	**1,777,778**	**5.62p**	1,777,778	5.62p
Barney Quinn	**1,777,778**	**5.62p**	1,777,778	5.62p
Ash Mehta	**1,379,310**	**7.25p**	—	—

Approved by the Board and signed on its behalf by:

Barney Quinn
Chairman of the Remuneration Committee
16 September 2019

Financial statements

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Rosslyn Data Technologies plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2019, 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 notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2019 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- 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 the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Overview of our audit approach

- Overall group materiality: £139,000, which represents 2% of the group's preliminary revenues;
- Key audit matter was identified as revenue recognition and its occurrence; and
- We performed full scope audit procedures at the group's operating location in the United Kingdom and targeted procedures over the group's subsidiary in the United States of America.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that 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.

Key audit matter – Group	How the matter was addressed in the audit – Group
Revenue recognition and its occurrence The group's revenues are a significant measure of its financial performance during the financial year. 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. Due to the volume of transactions invoiced in advance, the judgement involved in the timing of revenue recognition and the significance of revenue as a measure of the group's performance during the year, we identified revenue recognition and its occurrence as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: • confirming the appropriateness of the group's revenue recognition policy with respect of the requirements of International Financial Reporting Standard (IFRS) 15 'Revenue Recognition' and confirming through sample testing its consistent application; • substantive testing of deferred revenue by agreeing deferred amount to contracts; and • selecting a sample of revenue transactions from across the group and confirming the occurrence of each item by agreeing to source documentation that demonstrates the validity of the sale and the date at which the risks and rewards of ownership transferred to the customer. 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 3. Key observations Our procedures, as set out above, did not identify any material misstatement in respect of revenue recognised by the group during the year.

We did not identify any key audit matters relating to the audit of the financial statements of the parent company.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

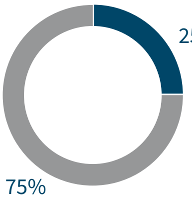
Materiality was determined as follows:

Materiality measure	Group	Parent
Financial statements as a whole	£139,000 which is 2% of the group's revenue. This benchmark is considered the most appropriate because it is a significant determinant of the group's financial performance. Materiality for the current year is higher than the level that we determined for the year ended 30 April 2018 as a result of the increase in group revenues.	£125,000 which is set at 2% of the parent company's total assets, capped at 90% of group materiality. This benchmark is considered the most appropriate because it is a significant determinant of the parent company's financial performance. Materiality for the current year is higher than the level that we determined for the year ended 30 April 2018 as a result of the increase in the parent company total assets.
Performance materiality used to drive the extent of our testing	75% of financial statement materiality.	75% of financial statement materiality.
Specific materiality	We determined a lower level of specific materiality for certain areas such as directors' remuneration and related party transactions.	We determined a lower level of specific materiality for certain areas such as directors' remuneration and related party transactions.
Communication of misstatements to the audit committee	£6,900 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£6,200 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

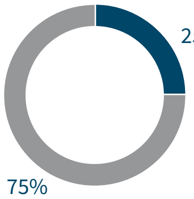
Our application of materiality continued

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

Overall materiality – Group



Overall materiality – Parent



■ Tolerance for potential uncorrected misstatements
■ Performance materiality

An overview of the scope of our audit

Our audit approach was a risk-based approach founded on a thorough understanding of the group's business, its environment and risk profile and in particular included:

- an evaluation by the group audit team of identified components to assess the significance of that component and to determine the planned audit response based on a measure of materiality;
- full scope audit procedures carried out in the UK and targeted procedures in the US based on their relative materiality to the group and an assessment of their audit risk. Comprehensive and targeted testing performed at the component and group levels addressed 100% of group revenue;
- targeted audit work over the US operations conducted in the UK as the books and records reside in the UK; and
- undertaking a planning visit in evaluate the group's internal control environment, performing an evaluation of the design effectiveness of controls over key financial statement risk areas identified as part of our audit risk assessment and selecting certain transaction items to test during our procedures at the final audit stage.

The group locations subject to comprehensive and targeted testing were consistent with the prior year and there were no significant changes in the audit approach at each of the group's components as compared with the prior year.

Other information

The directors are responsible for the 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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

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 under the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the annual report and financial statements set out on page 14, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council'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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Christian Heeger BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Crawley
16 September 2019

for the year ended 30 April 2019

	Note	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
Revenue	3	**6,965**	6,433
Cost of sales		**(1,416)**	(1,538)
Gross profit		**5,549**	4,895
Administrative expenses		**(5,993)**	(6,861)
Depreciation and amortisation		**(1,041)**	(1,064)
Share-based payments		**(125)**	(194)
Impairment of goodwill		**—**	(364)
Operating loss		**(1,610)**	(3,588)
Finance income	5	**1**	—
Finance costs	5	**(87)**	(101)
Loss before income tax	6	**(1,696)**	(3,689)
Income tax	7	**595**	478
Loss for the year		**(1,101)**	(3,211)
Other comprehensive income		**(27)**	(23)
Total comprehensive income		**(1,128)**	(3,234)

Loss per share		**Pence**	Pence
Basic and diluted loss per share: ordinary shareholders	8	**0.59**	1.76

Total administrative expenses for the year were £7,159,000 (2018: £8,483,000).

The notes on pages 31 to 45 form part of these financial statements.

as at 30 April 2019

	Note	30 April 2019 £'000	30 April 2018 £'000
Assets			
Non-current assets			
Intangible assets	9	**2,946**	3,969
Property, plant and equipment	10	**14**	23
		2,960	3,992
Current assets			
Trade and other receivables	11	**1,697**	2,150
Corporation tax receivable		**363**	557
Cash and cash equivalents	12	**1,960**	317
		4,020	3,024
Total assets		**6,980**	7,016
Liabilities			
Non-current liabilities			
Trade and other payables	13	**(126)**	(91)
Deferred tax	15	**(218)**	(291)
Financial liabilities – borrowings	14	**(653)**	(744)
		(997)	(1,126)
Current liabilities			
Trade and other payables	13	**(4,018)**	(3,771)
Financial liabilities – borrowings	14	**(934)**	(330)
		(4,952)	(4,101)
Total liabilities		**(5,949)**	(5,227)
Net assets		**1,031**	1,789
Equity			
Called up share capital	17	**963**	941
Share premium		**12,777**	12,555
Share-based payment reserve		**515**	390
Accumulated loss		**(18,241)**	(17,140)
Translation reserve		**(116)**	(90)
Merger reserve		**5,133**	5,133
Total equity		**1,031**	1,789

The notes on pages 31 to 45 form part of these financial statements.

The financial statements were approved by the Board of Directors on 16 September 2019 and were signed on its behalf by:

Roger Bullen
Chief Executive Officer
16 September 2019

	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 2017		379	(13,952)	(67)	218	8,517	5,133	228
Issue of share capital	17	562	—	—	—	4,038	—	4,600
Share-based payment transaction		—	—	—	195	—	—	195
Release		—	23	—	(23)	—	—	—
Loss for the year		—	(3,211)	—	—	—	—	(3,211)
Other comprehensive income		—	—	(23)	—	—	—	(23)
Balance at 30 April 2018		941	(17,140)	(90)	390	12,555	5,133	1,789
Balance at 1 May 2018		941	(17,140)	(90)	390	12,555	5,133	1,789
Issue of share capital	17	22	—	—	—	222	—	244
Share-based payment transaction		—	—	—	125	—	—	125
Loss for the year		—	(1,101)	—	—	—	—	(1,101)
Other comprehensive income		—	—	(26)	—	—	—	(26)
Balance at 30 April 2019		**963**	**(18,241)**	**(116)**	**515**	**12,777**	**5,133**	**1,031**

The merger reserve arises from the Group reorganisation that occurred on 23 April 2014. Rosslyn Data Technologies plc acquired Rosslyn Analytics Ltd 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 Ltd 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 31 to 45 form part of these financial statements.

	Note	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
Cash flows used in operating activities			
Cash generated/(used) in operations	See below	**220**	(3,450)
Finance income		**1**	—
Finance costs	5	**(87)**	(95)
Corporation tax received		**716**	474
Other comprehensive income		**—**	(23)
Net cash generated from/(used in) operating activities		**850**	(3,094)
Cash flows used in investing activities			
Purchase of property, plant and equipment	10	**(10)**	(19)
Acquisition of subsidiaries		**—**	(1,188)
Net cash used in investing activities		**(10)**	(1,207)
Cash flows generated from financing activities			
New loans in year	14	**1,000**	278
Repayment of borrowings	14	**(441)**	(544)
Proceeds from share issuance	17	**250**	5,056
Costs of share issuance		**(6)**	(457)
Net cash generated from financing activities		**803**	4,333
Net increase in cash and cash equivalents		**1,643**	32
Cash and cash equivalents at beginning of year	12	**317**	285
Cash and cash equivalents at end of year	12	**1,960**	317

Reconciliation of loss before income tax to cash used in operations

	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
Loss before income tax	**(1,696)**	(3,689)
Depreciation, amortisation and impairment charges	**1,041**	1,428
Share-based payment transactions	**125**	194
Costs to acquire subsidiary	**—**	151
Finance income	**(1)**	—
Finance costs	**87**	101
	(444)	(1,815)
Decrease in trade and other receivables	**453**	970
Increase in trade and other payables	**211**	(2,605)
Cash generated from/(used in) operations	**220**	(3,450)

The notes on pages 31 to 45 form part of these financial statements.

1. General information

Rosslyn Data Technologies plc (the "Company") is a company domiciled in the UK. The address of the registered office is 60 St. Martin's Lane, Covent Garden, London WC2N 4JS. The Company is the ultimate parent company of Rosslyn Analytics Ltd and Rosslyn Data Management Ltd, companies incorporated in the UK, and the ultimate parent company of Rosslyn Analytics, Inc., a company incorporated in the USA (collectively, the "Group"). The Group's principal activity is the provision of data analytics using a proprietary form, data capture, data mining and workflow management.

The principal accounting policies adopted in the preparation of the consolidated financial information are set out below. The policies have been consistently applied to all the years presented.

2. Accounting policies

Basis of preparation

The Group's consolidated financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards (as adopted by the EU) and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Going concern

Notwithstanding that the Group has made losses in the current year, these financial statements have been prepared on the going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due for the foreseeable future.

The Directors have prepared cash flow statements for the periods to 30 April 2021 to ensure going concern criteria are met. Provided the Group achieves its forecasts for the forthcoming year, the Group will be able to pay its employees and suppliers and be in a cash positive position. Should the Group fall short of its revenue forecast it will need to reduce costs accordingly to maintain adequate cash balances.

Having considered the forecasts and scenario actions for any downturn, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing these financial statements.

Basis of consolidation

On 23 April 2014 the Company acquired the Group's previous parent company, Rosslyn Analytics Ltd, via a share for share exchange whereby every ordinary share and A preference share in Rosslyn Analytics Ltd was exchanged for eight ordinary shares and eight A preference shares respectively in Rosslyn Data Technologies Ltd (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, Rosslyn 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, Rosslyn Data Technologies plc, but are a continuation of the financial statements of Rosslyn Analytics Ltd.

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.

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

- valuation of share-based payments – the Directors base their judgement on the Black Scholes model (note 22); and
- recognition of deferred tax assets. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit (note 15).

2. Accounting policies continued

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) Implementation and set-up fees in connection with the deployment and customisation of the Group's proprietary solutions are recognised over the implementation 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. Cost of sales does not include salaries and wages.

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 deferred tax liability on the fair value adjustment on acquisition. Goodwill is carried at cost less accumulated impairment losses.

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:

- Computer equipment – 18 to 36 months straight line

Impairment review of intangible assets

Despite the fact that the intangible assets are being amortised over their useful economic lives, in accordance with IFRS 3 an annual review is performed to consider whether there are any events or changes in circumstances to indicate that the carrying value of each asset may not be recoverable.

2. Accounting policies continued

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.

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:

a. the technical feasibility of completing the intangible asset so that it will be available for sale or use;

b. the intention to complete the development;

c. the ability to use or sell the intangible asset;

d. 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);

e. the availability of resources to complete the development; and

f. the ability to measure the attributable expenditure reliably.

Grants receivable

Grant income is recognised when there is: 1) entitlement to the grant; 2) virtual certainty that it will be received; and 3) sufficient measurability of the amount.

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.

Group companies

The results and financial position of all the Group entities (none of which has 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.

2. Accounting policies continued

Group companies continued

The following exchange rates were applied for £1 at each year end:

	2019	2018
US dollars	**1.30**	1.40
Euros	**1.13**	1.14

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.

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.

Cash and cash equivalents

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.

Trade and other receivables

Trade receivables are stated at their original invoiced value, as the interest that would be recognised from discounting future cash receipts over the expected credit period is not considered to be material. Trade receivables are reduced by appropriate allowances for estimated irrecoverable amounts.

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

The Group classifies its financial assets as loans and receivables. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that arise principally through the provision of services to customers. They are initially recognised at fair value and are subsequently stated at amortised cost using the effective interest method. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. Loans and receivables comprise mainly cash and cash equivalents and trade and other receivables.

Impairment of financial assets

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within other operating costs in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

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.

2. Accounting policies continued

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.

Convertible loan stock

The convertible loan stock, a compound financial instrument, can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition except on conversion or expiry. The Directors have not split out the equity component as it is not material.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Standards, amendments and interpretations

IFRS 15 Revenue from contracts with customers:

Although only mandatory for annual reporting periods beginning on or after 1 January 2018, the Group elected to apply IFRS 15 early on 1 May 2017.

During the year the following standards and amendments were applied in the preparation of the financial statements of the Group:

- IFRS 9 Financial instruments, which replaces IAS 39: This standard expands on the presentation of relevant and useful information for the assessment of the amounts, timing and uncertainty of any entity's future cash flows.

The expected loss model is now being used to calculate under IFRS 9 versus the incurred loss model previously used. This change has not led to any restatement of any prior year balances.

Standards not yet effective

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective in future accounting periods that the Group has decided not to adopt early. The most significant of these are:

New standard or interpretation	EU endorsement status	Mandatory effective date (periods beginning)
IFRS 16 Leases	Endorsed	1 January 2019
IFRIC 23 Uncertainty over income tax positions	Endorsed	1 January 2019

IFRS 16 applies to accounting periods beginning on or after 1 January 2019 and requires lessees to recognise all leases on balance sheet with limited exemptions for short-term leases and low value leases. This will result in the recognition of a right-to-use asset and corresponding liability on the balance sheet, with the associated depreciation and interest expense being recorded in the income statement over the lease period. The Group has completed its impact assessment of this standard and the expected impact of applying IFRS 16 in its first full year of application is detailed below:

- the total annual income statement charge is not expected to be materially affected;
- EBITDA is expected to increase by around £0.2m as the expense is now depreciation and interest; and
- recognition of a right-of-use asset and lease liability in the range of £0.3m with no impact on net assets.

The Group plans to apply IFRS 16 initially on 1 May 2019, using a modified retrospective approach. Therefore, any cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 May 2019, with no restatement of comparatives.

IFRIC 23 clarifies how to recognise and measure current and deferred income tax assets and liabilities when there is uncertainty over income tax treatments.

Segment reporting

Operating segments are reported in a manner consistent with the internal management reporting of the business to the Executive Directors, who have been identified as the Chief Operating Decision Maker.

3. Segmental reporting

Management has determined the operating segments based on the operating reports reviewed by the Executive Directors that are used to assess both performance and strategic decisions. Management has identified that the Executive 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 2019 £'000	Year ended 30 April 2018 £'000
Annual licence fees	**5,437**	4,979
Professional services	**1,528**	1,454
Total revenue from external customers	**6,965**	6,433

	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
UK and Europe	**5,248**	4,615
North America and Rest of the World	**1,717**	1,818
Total revenue from external customers	**6,965**	6,433

4. Employees and Directors

	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
Wages and salaries	**3,755**	4,277
Social security costs	**430**	485
Other pension costs	**98**	98
Share-based payment expense – Directors	**95**	153
Share-based payment expense – staff	**30**	42
	4,408	5,055

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

	Year ended 30 April 2019	Year ended 30 April 2018
Management	**6**	6
Research and development	**23**	24
Sales, marketing and administration	**33**	43
	62	73

	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
Directors' emoluments	**578**	526
Directors' pension contributions to money purchase schemes	**40**	41
The number of Directors to whom retirement benefits were accruing was as follows:		
Money purchase schemes	**3**	3

During the year no (2018: no) Director exercised share options.

4. Employees and Directors continued

Information regarding the highest paid Director is as follows:

	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
Aggregate emoluments	**185**	162

There were pension contributions in respect of the highest paid Director of £12,000 (2018: £16,000). The highest paid Director exercised nil (2018: nil) share options during the year (see note 22).

5. Net finance costs

	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
Finance income		
Interest receivable	**1**	—
Finance costs		
Loan interest paid	**(87)**	(101)
Net finance costs	**(86)**	(101)

6. Loss before income tax

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

	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
Share-based payments	**125**	194
Depreciation – owned assets	**18**	40
Amortisation	**1,023**	1,024
Impairment of goodwill	**—**	364
Research and development cost	**1,090**	683
Auditor's remuneration – audit of the Group and Company financial statements	**23**	18
Auditor's remuneration, other services – audit of the subsidiary financial statements	**42**	50
Auditor's remuneration for non-audit services – tax compliance services	**10**	6
Auditor's remuneration for non-audit services – other tax advisory services	**7**	19
Foreign exchange (gains)/losses	**(4)**	49
Operating lease rentals	**281**	375

The operating EBITDA is calculated as shown below:

	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
Operating loss	**(1,610)**	(3,588)
Depreciation and amortisation	**1,041**	1,064
Share-based payments	**125**	194
Impairment of goodwill	**—**	364
Acquisition costs	**12**	150
Operating EBITDA	**(432)**	(1,816)

7. Income tax

Analysis of income tax

	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
Current tax		
Corporation tax on losses of the year	**(363)**	(200)
Prior year adjustment	**(159)**	(205)
Total current tax	**(522)**	(405)
Deferred tax		
Origination and reversal of timing differences (see note 15)	**(73)**	(73)
Total tax	**(595)**	(478)

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 2019 £'000	Year ended 30 April 2018 restated £'000
Loss on ordinary activities before tax	**(1,696)**	(3,690)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	**(322)**	(701)
Effects of:		
Prior year adjustment	**(159)**	(206)
Disallowable expenses	**29**	61
Unrecognised deferred tax asset on losses	**220**	568
Research and development tax credit	**(363)**	(200)
Total tax	**(595)**	(478)

The standard rate of corporation tax remained unchanged at 19% for the accounting period to 30 April 2019; accordingly, the Group's profits were taxed at 19% for that year. Following the summer 2015 Finance Bill, there will be a reduction to the main rate of corporation tax by a further 1% to 18% from 1 April 2020. This rate reduction has been substantively executed at the balance sheet date and therefore the relevant deferred tax balances have been remeasured.

8. Loss per share

Basic earnings per share is calculated by dividing the net 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 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 2019	Year ended 30 April 2018
Loss for the year attributable to the owners of the parent	**£1,128,000**	£3,234,000
Weighted average number of ordinary shares	**192,675,521**	183,820,205
	Pence	Pence
Basic and diluted loss per share: ordinary shareholders	**0.59**	1.76

9. Intangible assets

	Goodwill £'000	Acquired software licences £'000	Internally developed software £'000	Customer relationships £'000	Total £'000
Cost					
At 1 May 2018	364	559	498	3,937	5,357
At 30 April 2019	**364**	**559**	**498**	**3,937**	**5,357**
Accumulated amortisation					
At 1 May 2018	364	137	100	787	1,388
Charge for the year	—	136	100	787	1,023
At 30 April 2019	**364**	**273**	**200**	**1,574**	**2,411**
Net book value					
At 30 April 2018	—	422	398	3,149	3,969
At 30 April 2019	**—**	**286**	**298**	**2,363**	**2,946**

All amortisation and impairment charges are included within depreciation, amortisation and impairment of non-financial assets.

10. Property, plant and equipment

	Fixtures, fittings and equipment £'000
Cost	
At 1 May 2017	148
Additions	19
Acquisition through business combination	14
Disposals	(67)
At 30 April 2018	114
At 1 May 2018	114
Additions	10
At 30 April 2019	**124**
Accumulated amortisation and impairment	
At 1 May 2017	119
Charge for the year	40
Disposals	(67)
At 30 April 2018	92
At 1 May 2018	92
Charge for the year	18
At 30 April 2019	**110**
Net book value	
At 30 April 2018	23
At 30 April 2019	**14**

11. Trade and other receivables

	2019 £'000	2018 £'000
Amounts falling due within one year		
Trade receivables due but not past due	**1,278**	1,101
Trade receivables past due	**94**	283
Impairment provision	**(1)**	(13)
Trade receivables – net	**1,371**	1,371
Other receivables	**65**	82
Prepayments and accrued revenue	**261**	697
	1,697	2,150

Included within the trade receivables past due above are amounts which are not impaired and aged as follows:

	2019 £'000	2018 £'000
Overdue by:		
Up to 30 days	**—**	40
30–60 days	**—**	22
60–90 days	**58**	8
Over 90 days	**35**	200
	93	270

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 contracted due date.

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

	2019 £'000	2018 £'000
At start of year	**13**	274
Provision for receivables impairment	**1**	13
Provision release	**(13)**	(274)
At end of year	**1**	13

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:

	2019 £'000	2018 £'000
US dollars	**193**	353
Euros	**187**	51
	380	404

12. Cash and cash equivalents

	2019 £'000	2018 £'000
Cash at bank	**1,960**	317

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

	2019 £'000	2018 £'000
US dollars	**179**	86
Euros	**184**	2
	363	88

13. Trade and other payables

	2019 £'000	2018 £'000
Non-current		
Accruals and deferred revenue	**126**	91
	126	91
Current		
Trade payables	**416**	527
Social security and other taxes	**426**	254
Other payables	**24**	14
Accruals and deferred revenue	**3,152**	2,976
	4,018	3,771

Included with accruals and deferred revenue is an amount of £2,658,000 (2018: £2,209,000) in relation to deferred revenue.

14. Borrowings

	2019 £'000	2018 £'000
Non-current		
Unsecured loans	**653**	744
	653	744
Current		
Unsecured loans	**934**	330
	934	330

During the year, the Group secured a new three year £1.5 million secured facility with Clydesdale Bank, with an interest rate of 7.75% plus 3 month LIBOR. £1.0 million was drawn down in March 2019 to be used to pay down the Integritie debt of £0.75 million.

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

				2019		2018	
	Currency	Nominal interest rate	Year of maturity	Face value £'000	Carrying value £'000	Face value £'000	Carrying value £'000
Unsecured loan	GBP	7.7%	2019	—	—	208	208
Unsecured loan	GBP	12.2%	2021	—	—	170	170
Unsecured loan	GBP	28.8%	2018	—	—	63	63
Unsecured loan	GBP	8.6%	2022	**954**	**954**	—	—
Loan notes	GBP	5.0%	2019	**633**	**633**	633	633
Total interest-bearing liabilities				**1,587**	**1,587**	1,074	1,074

Details of the payment profile are included in note 21.

14. Borrowings continued

Reconciliation of net debt

	Loan notes £'000	Unsecured loan £'000	Net debt £'000
At 1 May 2018	633	441	1,074
Repayment	—	(441)	(441)
Proceeds	—	954	954
At 30 April 2019	**633**	**954**	**1,587**
Current liabilities	633	20	653
Non-current liabilities	—	934	934
At 30 April 2019	**633**	**954**	**1,587**
At 1 May 2017	—	—	—
Acquisitions	633	441	1,074
At 30 April 2018	633	441	1,074
Current liabilities	633	111	744
Non-current liabilities	—	330	330
At 30 April 2018	**633**	**441**	**1,074**

15. Deferred tax

Deferred tax relates to the following:

	2019 £'000	2018 £'000
Accelerated capital allowances	**—**	—
Deferred tax asset relating to losses	**—**	—
Deferred tax liability arising on fair value adjustments on acquisition	**218**	291

The movement in deferred tax is shown below:

	2019 £'000	2018 £'000
Deferred tax liability at start of year	**291**	—
Deferred tax liability arising on fair value adjustments on acquisition	**—**	364
Deferred tax asset on losses	**(19)**	(19)
Accelerated capital allowances	**19**	19
Release deferred tax liability	**(73)**	(73)
Deferred tax liability at end of year	**218**	291

At the balance sheet date the Group had available tax losses of £13,762,000 (2018: £12,095,000) available for offset against future profits. A deferred tax asset has been recognised in respect of £19,000 (2018: £19,000) of such losses as these losses would offset any taxable profits arising as a result of the unwinding of the deferred tax liability. No deferred tax asset has been recognised in respect of the remaining losses of £13,781,000 (2018: £12,114,000) due to the unpredictability of future profit streams. Substantially all of the losses may be carried forward indefinitely.

16. Net funds

Analysis of net funds

Net funds is the total of cash and cash equivalents less interest-bearing loans and borrowings and finance lease liabilities. 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.

	2019 £'000	2018 £'000
Cash and cash equivalents	**1,960**	317
Interest-bearing loans	**(1,587)**	(1,074)
Net funds	**373**	(757)

17. Called up share capital

Allotted, issued and fully paid

Number	Class	Nominal value	2019 £'000	2018 £'000
192,675,521 (2018: 188,130,067)	Ordinary shares	£0.005 (2018: £0.005)	**963**	941
			963	941

During the year, there were 4,545,454 fully paid ordinary shares allotted of £0.005 each at £0.055 per share on 5 July 2018. In the prior year, there were 112,364,253 fully paid ordinary shares allotted of £0.005 each at £0.045 per share.

18. Leasing agreements

The minimum lease payments for the rental of office premises and equipment under non-cancellable operating leases fall as follows:

	2019 £'000	2018 £'000
Within one year	**40**	25
Between one and five years	**62**	—
	102	25

19. Related party disclosures

During the year, the Group invoiced Delphinus Advisory Ltd the sum of £14,024 (2018: £12,000) for provision of technology-related services; Roger Bullen is a director of Delphinus Advisory Ltd.

During the year the Group paid IQ Capital Partnership LLP £14,000 (2018: £35,000) in respect of Ed Stacey's fees; Ed Stacey is a director of IQ Capital Partnership LLP.

20. Ultimate controlling party

There was no ultimate controlling party as at 30 April 2019 or 30 April 2018.

21. 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 not been changes to the Group's exposure to financial instrument risks and 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;
- bank overdrafts;
- trade and other payables;
- bank loans;
- loan notes;
- finance leases; and
- deferred consideration.

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	2019 £'000	2018 £'000
Current		
Trade and other receivables – loans and receivables	**1,697**	2,807
Cash and cash equivalents – loans and receivables	**1,960**	317
Total loans and receivables	**3,657**	3,124
Trade and other payables – other financial liabilities at amortised cost	**4,952**	4,101
Non-current		
Trade and other payables – other financial liabilities at amortised cost	**779**	835

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.

21. Financial instruments continued

a) Market risk continued

Foreign exchange risk continued

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

	2019		2018	
	Assets £'000	**Liabilities £'000**	Assets £'000	Liabilities £'000
US dollars	**214**	**446**	565	598
Euros	**191**	**477**	400	82
	405	**923**	965	680

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 ±£60,000 (2018: ±£100,000).

Interest rate risk

At the year end, the Group's borrowings were made up of a term loan and loan notes. The loan notes were repaid on 15 May 2019. The term loan attracts variable interest rates and the Group does not seek to hedge or cap these. Although the Board accepts that this policy of not fixing interest rates neither protects the Group entirely from the risk of paying rates in excess of current market rates nor eliminates fully cash flow risk associated with interest payments, it considers that it achieves an appropriate balance of exposure to these risks and the costs of mitigating the risks.

The annualised effect of a 1.0% decrease in the interest rate at the balance sheet date on the variable rate bank loan carried at that date would, all other variables held constant, have resulted in a decrease in post-tax loss for the year of £10,000 (2018: £nil). A 1.0% increase in the interest rate would, on the same basis, have increased the post-tax loss by the same amount.

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 £1,697,000 (2018: £2,150,000).

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. No trade or other receivables have been impaired.

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:

2019	**Within one year £'000**	**One to two years £'000**	**Two to five years £'000**	**Over five years £'000**
Borrowings	**934**	**325**	**328**	**—**
Trade payables	**416**	**—**	**—**	**—**
Accruals and deferred income	**3,152**	**81**	**45**	**—**
Other	**450**	**—**	**—**	**—**

2018	Within one year £'000	One to two years £'000	Two to five years £'000	Over five years £'000
Borrowings	330	678	66	—
Trade payables	527	—	—	—
Accruals and deferred income	2,976	57	34	—
Other	268	—	—	—

21. 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 levels to insignificant amounts of lease funding. Share capital and premium together amount to £13,740,000 (see page 28).

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.

22. Share-based payment transactions

Enterprise Management Incentive Scheme – number of stock options

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

Type of arrangement	Enterprise Management Incentive Scheme
Date of scheme	24 April 2014
Number granted in current year	1,379,310
Total number in scheme	16,882,963
Contractual life	10 years
Number of employees in scheme	14
Vesting conditions	Vest on grant/vest over 2–3 years

	2019	2018	Weighted average exercise price
Outstanding at start of year	**17,357,189**	3,720,519	6.49p
Granted	**1,379,310**	13,866,670	7.25p
Forfeited/cancelled	**(1,853,536)**	(230,000)	6.74p
Outstanding at end of year	**16,882,963**	17,357,189	6.53p

During the year, an expense of £125,000 (2018: £195,000) was recognised in relation to the scheme, based on the Black Scholes option pricing model.

£95,000 (2018: £153,000) was charged to the Company; the balance of £30,000 (2018: £42,000) was charged to the subsidiaries where the employees are employed.

Warrants

The Company's broker, Cenkos Securities, 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 are 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 shall be at least 8p per share at the time of exercise.

as at 30 April 2019

Registered number: 08882249

	Note	30 April 2019 £'000	30 April 2018 £'000
Fixed assets			
Investments	E	**9,762**	9,762
		9,762	9,762
Current assets			
Debtors	F	**4,767**	4,156
Cash at bank and in hand	G	**757**	8
		5,524	4,164
Total assets		**15,286**	13,926
Liabilities			
Non-current liabilities			
Financial liabilities – borrowings	I	**(653)**	—
		(653)	—
Current liabilities			
Creditors: amounts falling due within one year	H	**(88)**	(78)
Financial liabilities – borrowings	I	**(301)**	—
Total liabilities		**(1,042)**	(78)
Net assets		**14,244**	13,848
Capital and reserves			
Called up share capital	J	**963**	941
Share premium account	K	**12,777**	12,555
Share-based payment reserve	K	**515**	390
Profit and loss account	K	**(11)**	(38)
Total shareholders' funds		**14,244**	13,848

The profit of the Company for the year ended 30 April 2019 was £27,000 (2018 loss: £120,000).

The notes on pages 48 to 52 form part of these financial statements.

The financial statements were approved by the Board of Directors on 16 September 2019 and were signed on its behalf by:

Roger Bullen
Chief Executive Officer
16 September 2019

	Note	Called up share capital £'000	Share-based payment reserve £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
Restated balance at 1 May 2017		379	218	8,517	60	9,174
Issue of share capital	J	562	—	4,038	—	4,600
Share-based payment transaction		—	194	—	—	194
Release		—	(22)	—	22	—
Profit and total comprehensive income for the year		—	—	—	(120)	(120)
Restated balance at 30 April 2018		941	390	12,555	(38)	13,848
Balance at 1 May 2018		941	390	12,555	(38)	13,848
Issue of share capital	J	22	—	222	—	244
Share-based payment transaction		—	125	—	—	125
Profit and total comprehensive income for the year		—	—	—	27	27
Balance at 30 April 2019		**963**	**515**	**12,777**	**(11)**	**14,244**

The notes on pages 48 to 52 form part of these financial statements.

A. General information

Rosslyn Data Technologies plc is a company incorporated in England and Wales. The address of the registered office is 60 St. Martin's Lane, Covent Garden, London WC2N 4JS. The Group'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.

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:

- valuation of share-based payments; the Directors base their judgement on the Black Scholes model (note B); and
- valuation of the fixed asset investments; the Group 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.

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.

Financial assets

Impairment of financial assets

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For debtors, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within other operating costs in the profit and loss account. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

B. Accounting policies continued

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. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, 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 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.

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 profit of £27,000 (2018 loss: £120,000).

D. Employees and Directors

Remuneration costs have been recharged to Rosslyn Analytics Ltd.

E. Investments

	Shares in subsidiary £'000
Cost	
At 1 May 2018	9,762
At 30 April 2019	**9,762**
Net book value	
At 30 April 2019	**9,762**
At 30 April 2018	9,762

Principal subsidiary undertakings of the Company

The Company owns directly the whole of the issued and fully paid ordinary share capital of its subsidiary undertaking. The principal undertakings of the Company at 30 April 2019 are presented below:

Subsidiary	Nature of business	Country of incorporation	Cost	Proportion of ordinary shares held by Company
Rosslyn Analytics Ltd	Provision of data analytics using a proprietary technology	UK	£8,725,000	100%
Rosslyn Data Management Ltd (formerly Integritie (UK) Ltd	Provision of data analytics using a proprietary technology	UK	£1,037,000	100%
Rosslyn Analytics, Inc.	Provision of data analytics using a proprietary technology	US	—	—

Rosslyn Analytics, Inc. is a wholly owned subsidiary of Rosslyn Analytics Ltd.

F. Trade and other receivables

	2019 £'000	2018 £'000
Amounts owed by Group undertakings	**4,753**	4,148
Other debtors	**—**	1
Prepayments	**14**	7
	4,767	4,156

Amounts owed by Group undertakings are interest free and repayable upon demand.

All financial assets are measured at amortised cost.

G. Cash at bank and in hand

	2019 £'000	2018 £'000
Cash at bank	**757**	8

H. Trade and other payables

	2019 £'000	2018 £'000
Trade creditors	**41**	11
Accruals	**38**	42
Social security and other taxes	**9**	25
	88	78

All financial liabilities are measured at amortised cost.

I. Borrowings

	2019 £'000	2018 £'000
Non-current		
Unsecured loans	**653**	—
	653	—
Current		
Unsecured loans	**301**	—
	301	—

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

				2019		2018	
	Currency	Nominal interest rate	Year of maturity	Face value £'000	Carrying value £'000	Face value £'000	Carrying value £'000
Unsecured loan	GBP	8.6%	2022	**954**	**954**	—	—
Total interest-bearing liabilities				**954**	**954**	—	—

Details of the payment profile are included in note 21 of the Group financial statements.

J. Called up share capital

Allotted, issued and fully paid

Number	Class	Nominal value	2019 £'000	2018 £'000
2019: 192,675,521 (2018: 188,130,037)	Ordinary shares	£0.005 (2018: £0.005)	**963**	941

During the year, there were 4,545,454 fully paid ordinary shares allotted of £0.005 each at £0.055 per share on 5 July 2018. In the prior year, there were 112,364,253 fully paid ordinary shares allotted of £0.005 each at £0.045 per share.

K. 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.

L. 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 members of the Rosslyn Data Technologies Group.

M. Ultimate controlling party

There was no ultimate controlling party as at 30 April 2019.

N. Share-based payment transactions

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

Type of arrangement	Enterprise Management Incentive Scheme
Date of scheme	24 April 2014
Number granted in current year	1,379,310
Total number in scheme	16,882,963
Contractual life	10 years
Number of employees in scheme	14
Vesting conditions	Vest on grant/vest over 2–3 years

	2019	2018	Weighted average exercise price
Outstanding at start of year	**17,357,189**	3,720,519	6.49p
Granted	**1,379,310**	13,866,670	7.25p
Forfeited/cancelled	**(1,853,536)**	(230,000)	6.74p
Outstanding at end of year	**16,882,963**	17,357,189	6.53p

During the year, an expense of £125,000 (2018: £195,000) was recognised in relation to the scheme, based on the Black Scholes option pricing model.

£95,000 (2018: £153,000) was charged to the Company; the balance of £30,000 (2018: £42,000) was charged to the subsidiaries where the employees are employed.

Warrants

The Company's broker, Cenkos Securities, 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 are 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 shall be at least 8p per share at the time of exercise.

Notice is hereby given to the shareholders of Rosslyn Data Technologies plc (the "Company") that the Annual General Meeting of the Company will be held at 154–160 Fleet Street, Blackfriars, London EC4A 2DQ, on 17 October 2019 at 11.00am. Shareholders will be asked to consider and, if thought fit, to pass the following resolutions (the "Resolutions"), of which Resolutions 1 to 7 will be proposed as ordinary resolutions and Resolution 8 will be proposed as a special resolution.

Please note that additional information concerning the proposed Resolutions is included in the explanatory notes which accompany and form part of this Notice of Annual General Meeting.

Ordinary resolutions

1. To receive and consider the Company's annual financial statements, together with the reports of the Directors and of the auditor of the Company, for the year to 30 April 2019.
2. To re-appoint Grant Thornton UK LLP as auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company.
3. To authorise the Directors of the Company to determine the auditor's remuneration.
4. To elect Ash Mehta, who retires as a Director, having been appointed since the last AGM, as a Director of the Company.
5. To elect Ginny Warr, who retires as a Director, having been appointed since the last AGM, as a Director of the Company.
6. To re-elect Roger Bullen who retires as a Director by rotation, as a Director of the Company.
7. That in accordance with Section 551 of the Companies Act 2006 (the "2006 Act") the Directors of the Company be and are generally and unconditionally authorised to exercise all the powers of the Company to allot ordinary shares of £0.005 each in the Company, or to grant rights to subscribe for or to convert any security into shares in the Company provided that the power hereby granted shall be limited to ordinary shares:

   7.1 up to a maximum nominal amount of £140,854 (in pursuance of the exercise of outstanding options and warrants granted by the Company prior to the date hereof but for no other purpose);

   7.2 up to an aggregate nominal amount of £48,227 (in addition to the authority conferred in subparagraph 7.1 above) for the grant or award of further share options or warrants but for no other purpose; and

   7.3 up to an aggregate nominal value of £96,458 (in addition to the authorities conferred in subparagraphs 7.1 and 7.2 above) representing approximately 10% of the Company's issued share capital, provided that these authorities, unless duly renewed, varied or revoked by the Company, will expire on the date which is 15 months from the date of the passing of this resolution or, if earlier, the conclusion of the next Annual General Meeting of the Company to be held after the passing of this resolution, save that the Company may, before such expiry, make offers or agreements which would or might require shares in the Company to be allotted after such expiry and the Directors may allot shares in the Company in pursuance of such an offer or agreement notwithstanding that the authority conferred by this resolution has expired.

   The authority granted pursuant to this resolution is subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any applicable regulatory body or stock exchange.

   This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot relevant securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made, pursuant to such authorities.

Special resolution

8. That subject to and conditional on the passing of Resolution 7, the Directors of the Company be and are hereby authorised pursuant to Section 570 of the 2006 Act to allot equity securities (within the meaning of Section 560 of the 2006 Act) for cash as if Section 561(1) of the 2006 Act did not apply to any such allotment provided that this authority shall be limited to the allotment of shares pursuant to the authorities contained in Resolution 7. This authority, unless duly renewed, varied or revoked by the Company, will expire on the date which is 15 months from the date of the passing of this resolution or, if earlier, the conclusion of the next Annual General Meeting of the Company to be held after the passing of this resolution, save that the Company may before such expiry make any offer or enter into any agreement which would or might require equity securities to be allotted, or treasury shares sold, after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the authority conferred by this resolution had not expired.

By order of the Board

F&L CoSec Limited
Company Secretary
Rosslyn Data Technologies plc
60 St. Martin's Lane
Covent Garden
London WC2N 4JS
16 September 2019

The following notes have been prepared to provide members with information to assess the merits of the resolutions contained within the Notice of Annual General Meeting convening the Annual General Meeting of the Company to be held at 154–160 Fleet Street, Blackfriars, London

EC4A 2DQ on 17 October 2019 at 11.00am. Capitalised terms used in these notes shall bear the meanings given to them in the Notice of Annual General Meeting.

Resolution 1 – To receive the annual financial statements (ordinary resolution)

The Directors will present their report, the Auditor's Report and the audited financial statements for the financial year ended 30 April 2019 to the meeting. This gives shareholders an opportunity to ask questions on the contents and on the performance of the Company generally.

Resolutions 2 and 3 – Re-appointment of the auditor and setting the auditor's remuneration (ordinary resolutions)

The Company is required to appoint an auditor at each general meeting at which accounts of the Company are laid before the members of the Company. Grant Thornton UK LLP has indicated its willingness to be re-appointed as auditor of the Company and accordingly Resolution 2 proposes that Grant Thornton UK LLP be re-appointed as auditor of the Company. Resolution 3 gives the Directors the authority, in accordance with standard practice, to negotiate and agree the remuneration of the auditor. In practice the Audit Committee will consider and approve the audit fees on behalf of the Board.

Resolutions 4 to 6 – Election of Directors (ordinary resolutions)

The Company's Articles of Association require that any Director appointed by the other Directors of the Company shall retire at the next Annual General Meeting of the Company and also provide that each Director so retiring shall be eligible for re-appointment. Accordingly, Ash Mehta and Ginny Warr are retiring and, being eligible, offers themselves for election. The Company's Articles of Association also require one-third of Directors to retire by rotation. Accordingly, Roger Bullen is retiring and, being eligible, offers himself for re-election. Biographical details of each Director can be found within the annual report for the year ended 30 April 2019. The Directors believe that the Board continues to maintain an appropriate balance of knowledge and skills and that the Non-Executive Directors are independent in character and judgement. Accordingly all the Directors recommend that all other Directors be re-elected; however, no Director makes any recommendation in respect of himself.

Resolution 7 – Authorisation to allot relevant securities (ordinary resolution)

Under Section 551 of the 2006 Act, the Directors of the Company require the authority of the shareholders of the Company to be able to issue shares in the capital of the Company. This resolution gives authority to the Directors of the Company to allot ordinary shares of £0.005 each in the capital of the Company. Resolution 7.1 allows the Directors to allot ordinary shares in respect of share options and warrants already in existence. Resolution 7.2 permits the Directors to further allot shares up to an aggregate nominal value of £48,229, approximately 5% of the Company's issued share capital. Resolution 7.3 permits Directors to allot shares up to an aggregate nominal value of £96,458, representing approximately 10% of the Company's issued share capital. Any further issues of share capital over and above these amounts would require the Directors to seek a fresh approval from shareholders.

Unless revoked, varied or extended, the Directors' authorities granted pursuant to this resolution will expire on the earlier of the date which is 15 months after the resolution is passed and the conclusion of the next Annual General Meeting of the Company.

Resolution 8 – Disapplication of statutory pre-emption rights (special resolution)

This resolution gives the Directors of the Company the authority to allot equity securities on a non-pre-emptive basis solely for the purposes of an allotment of shares in the Company pursuant to an authority given by Resolution 7. It will disapply the statutory pre-emption rights for such allotments until the earlier of the date which is 15 months after the resolution is passed and the conclusion of the next Annual General Meeting of the Company.

Further notes

Annual financial statements

The Company's annual financial statements, together with the reports of the Directors and of the auditor, are available to download from the Investors page of the Company's website (www.rosslyndatatech.com). Shareholders for whom a current address is held will also receive a copy by post.

Right to ask questions at the Annual General Meeting (AGM)

Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question being related to the business being dealt with at the meeting but no such answer need be given if:

1) to do so would interfere unduly with the meeting or cause confidential information to be disclosed;

2) the answer has already been given on a website in the form of an answer to a question; or

3) it is not in the interests of the Company or the good order of the meeting to be answered.

Further notes continued

Shareholders entitled to vote

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only holders of ordinary shares of £0.005 registered in the Company's register of members at close of business on 15 October 2019 (or, if the Annual General Meeting is adjourned, close of business two days prior to the time fixed for the adjourned Annual General Meeting) shall be entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their names at that time. Any changes to the Company's register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.

Appointment of proxies

1. You are entitled to appoint one or more proxies of your own choice to exercise all or any of your rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company but must attend the meeting in order to represent you. If you appoint more than one proxy, each proxy must be appointed to exercise the rights attached to a different share or shares held by you. You can only appoint proxies using the procedures set out in these notes.
2. If you wish to appoint a proxy other than the Chairman of the meeting, please insert their full name in the space provided and delete the words "the Chairman of the meeting or". If you hold more than one share you may appoint more than one proxy provided each proxy holder is appointed to exercise rights attached to different shares. A separate form of proxy must be deposited for each proxy appointed. If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the name of the proxy the number of shares in relation to which they are authorised to act as your proxy; if you leave this box blank your proxy will be deemed to be authorised in respect of your full voting entitlement.
3. You can vote either:
   - by logging on to www.signalshares.com and following the instructions; or
   - you may request a hard copy form of proxy directly from the registrars, Link Asset Services, on Tel: 0371 664 0300. Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

   In the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below. In order for a proxy appointment to be valid a form of proxy must be completed.

   In each case the form of proxy must be received by Link Asset Services at 34 Beckenham Road, Beckenham, Kent, BR3 4TU by 11 am on 15 October 2019.
4. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting in person if you wish. If you do attend the meeting in person, your proxy appointments will automatically be terminated.
5. If you want your proxy to vote in a certain way on the resolutions specified please indicate with an "X" in the appropriate boxes. If you fail to select any of the given options your proxy can vote as he or she chooses or can decide not to vote at all. Your proxy can also do this on any other business which may come before the meeting, including amendments to resolutions and any procedural business.
6. The "withheld" option on this form of proxy is provided to enable you to instruct your proxy not to vote on any particular resolution. However, a vote withheld is not a vote in law and will not be counted in the calculation of the votes "for" or "against" a resolution.
7. In the case of a corporation, this form of proxy must be executed under its common seal or signed on its behalf by its duly authorised officer, attorney or other person authorised to sign.
8. In the case of joint holders, the signature of any one holder will be sufficient but the names of all the joint holders should be stated. The vote of the senior joint holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders, and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
9. To be valid the form of proxy must be completed and received, together with any power of attorney or other authority under which it is signed, by post or (during normal business hours only) by hand to Link Asset Services, PXS, 34 Beckenham Road, Beckenham BR3 4TU, no later than 11.00am on 15 October 2019 (or, in the event that the meeting is adjourned, no later than 48 hours prior to the time of any adjourned meeting).
10. If you wish to change your proxy instruction you should submit a new form of proxy. If you submit more than one valid form of proxy in respect of the same shares held by you, the form of proxy received last will take precedence, provided that any changes to proxy instructions received after the time and date specified in note 9 shall be disregarded.
11. If you wish to revoke your proxy appointment you must send a notice to that effect to the Company's registrars at the address set out in note 9 by the time and date set out in note 9. Any revocation notice received after that time and date will be disregarded.
12. You may not use any electronic address provided in your form of proxy to communicate with the Company for any purposes other than those expressly stated.

Further notes continued

Appointment of proxies continued

13. Total voting rights as at 16 September 2019 in the issued share capital of the Company consist of 192,915,521 ordinary shares of £0.005 each, carrying one vote each. Therefore, the total number of voting rights of the Company as at 16 September 2019 is 192,915,521.

14. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting of the Company to be held on 17 October 2019 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.

    In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company’s agent, Link Asset Services (CREST participant ID: RA10), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

    CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

    The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Corporate bodies

A corporate body may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of the Company’s shareholders. The representative should bring to the meeting evidence of his or her appointment, unless it has previously been given to the Company.

Recommendation

The Directors consider that each of the proposed Resolutions set out in the Notice of Annual General Meeting is in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of the Resolutions, as they and those connected with them intend to do in respect of their own beneficial shareholdings.

Share listing
The Company's shares are listed on AIM.

Registrars
Link Asset Services
The Registry
34 Beckenham Road
Beckenham BR3 4TU

Dividends
No dividends have been or will be recommended or declared for the year ended 30 April 2019

AGM
The AGM of the Company will be held on 17 October 2019 at 11.00am at 154–160 Fleet Street, Blackfriars, London EC4A 2DQ

Registered in
England and Wales

Company number
08882249

EPIC/TIDM
RDT

ISIN
GB00BKKX5CP01

Registered office
60 St. Martin's Lane
Covent Garden
London WC2N 4JS

Company Secretary
F&L CoSec Limited

External auditor
Grant Thornton UK LLP
St John's House
Haslett Avenue West
Crawley RH10 1HS

Corporate brokers
Cenkos Securities plc
6.7.8 Tokenhouse Yard
London EC2R 7AS

Rosslyn Data Technologies commitment to environmental issues is reflected in this Annual Report, which has been printed on Claro Silk, an FSC® certified material. This document was printed by Proco using its environmental print technology, with 99% of dry waste diverted from landfill, minimising the impact of printing on the environment. Both the printer and the paper mill are registered to ISO 14001.

Produced by
designportfolio

Rosslyn Data Technologies plc

60 St. Martin's Lane
Covent Garden
London WC2N 4JS

T: +44 (0) 203 285 8008
E: investors@rosslyndatatechnologies.com