Rosslyn
Data Technologies

Focusing on the next stage of growth

Rosslyn Data Technologies plc
Annual report and accounts 2020

Contents

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

Our purpose is to help 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.

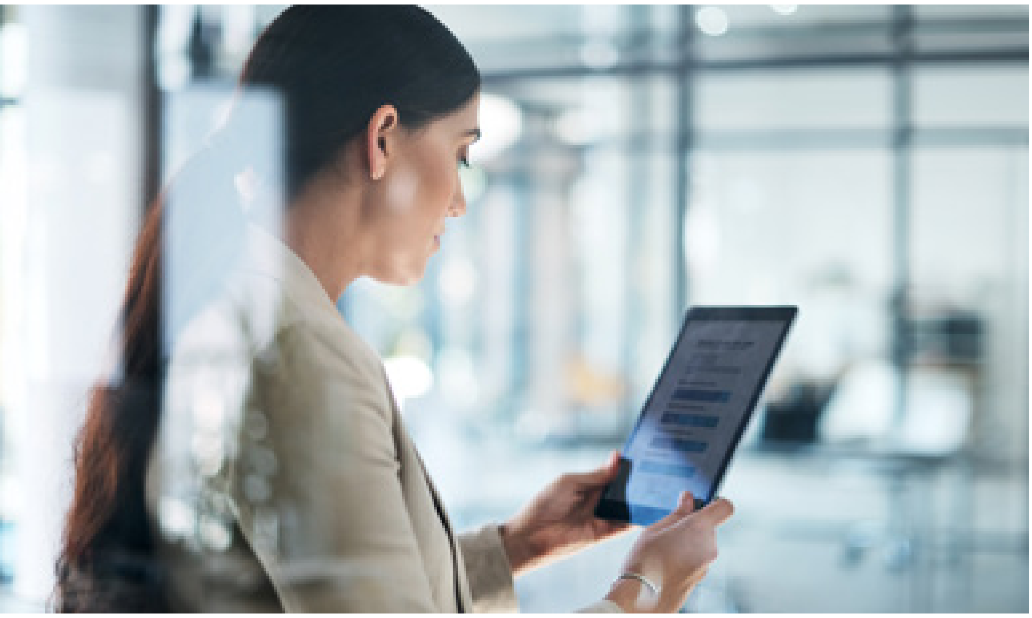
Why invest in Rosslyn?

- Rosslyn is in the field of big data which is forecast to continue growing rapidly over the next few years, and in which we have developed extensive expertise.
- Large companies currently have a strong focus on supply chain resilience, supply chain risk, cost reduction, and extracting value from "Big Data".
- With a tightly controlled cost base, and having reached EBITDA positive, there is a high level of operational gearing upside to the business.
- We have a track record of acquiring and integrating companies successfully to increase revenues and profitability.
- Our revenues are diversified across numerous industries and a large number of blue-chip clients, so our downside risk is low.
- We have an experienced management team with a track record of success.

Read more on our highly differentiated platform on page 2

Read more on our market opportunity on page 4

Read more on our highly experienced team on pages 24–27



Operational and strategic highlights

- Significant new client wins including a global manufacturer and distributor of superior building materials and products, a multinational general insurance company with operations in more than 140 countries, and a science-led sustainable technologies business employing 15,000 people.
- Product development has continued; integrating supplier onboarding functionality and creating master data management functionality for use by large enterprises.
- Acquisition of Langdon Systems, adding duty and import/export data capabilities and a strong client base to the business.
- Since the start of lockdown, COVID-19 has resulted in a higher level of engagement by our clients, but sales opportunities were temporarily impacted delayed lockdown. In recent weeks we have started to see increased activity in the form on RFPs and RFIs from prospective clients, and our revenues and pipeline remain strong.
- The focus by large companies on supply chain resilience, supply chain risk, cost reduction, extracting value from “Big Data”, and the imminent end of the Brexit transition period are positive factors for Rosslyn.
- With the placing proceeds the Group is now in a position to accelerate revenue growth, by investing further into Sales and Marketing, and post period end numerous appointments have been made including Paul Watts joining as Chief Customer Officer.

Financial highlights

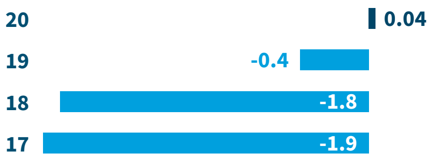
- Annual Recurring Revenue increased 16.7% to £6.3m (2019: 2.1% to £5.4m).
- Revenue growth of 2.1% to £7.1m (2019: £7.0m), as growth was off-set by the planned reduction of more than £0.6m of low margin contracts. This helped gross margin increase to 84.7% (2019: 79.7%).
- Administrative operating expenses controlled tightly at £6.0m (2019: £6.0m).
- Operating EBITDA (excluding share-based payment costs) profit of £36,000 (2019: loss of £432,000); the first positive EBITDA in the Company’s history.
- Loss before tax of £1.90 million (2019: £1.70 million) due to higher level of amortisation of intangible assets.
- Cash balance at the year-end of £0.8m (2019: £2.0m), boosted after the year end by a placing which raised £6.8m (net of expenses).
- The undrawn £0.5m of the £1.5m term loan facility from Clydesdale Bank was drawn down. Loan note and bank debt repayments of £0.9m (2019: £0.4m) were made during the year, leaving gross bank debt of £1.2m at the year end.

Turnover (£m)

£7.1m

Operating EBITDA (£m)

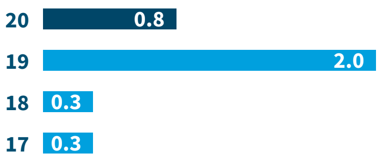
£0.04m



Cash (£m)

£7.6m

post-placing



ARR (£m)

£6.3m

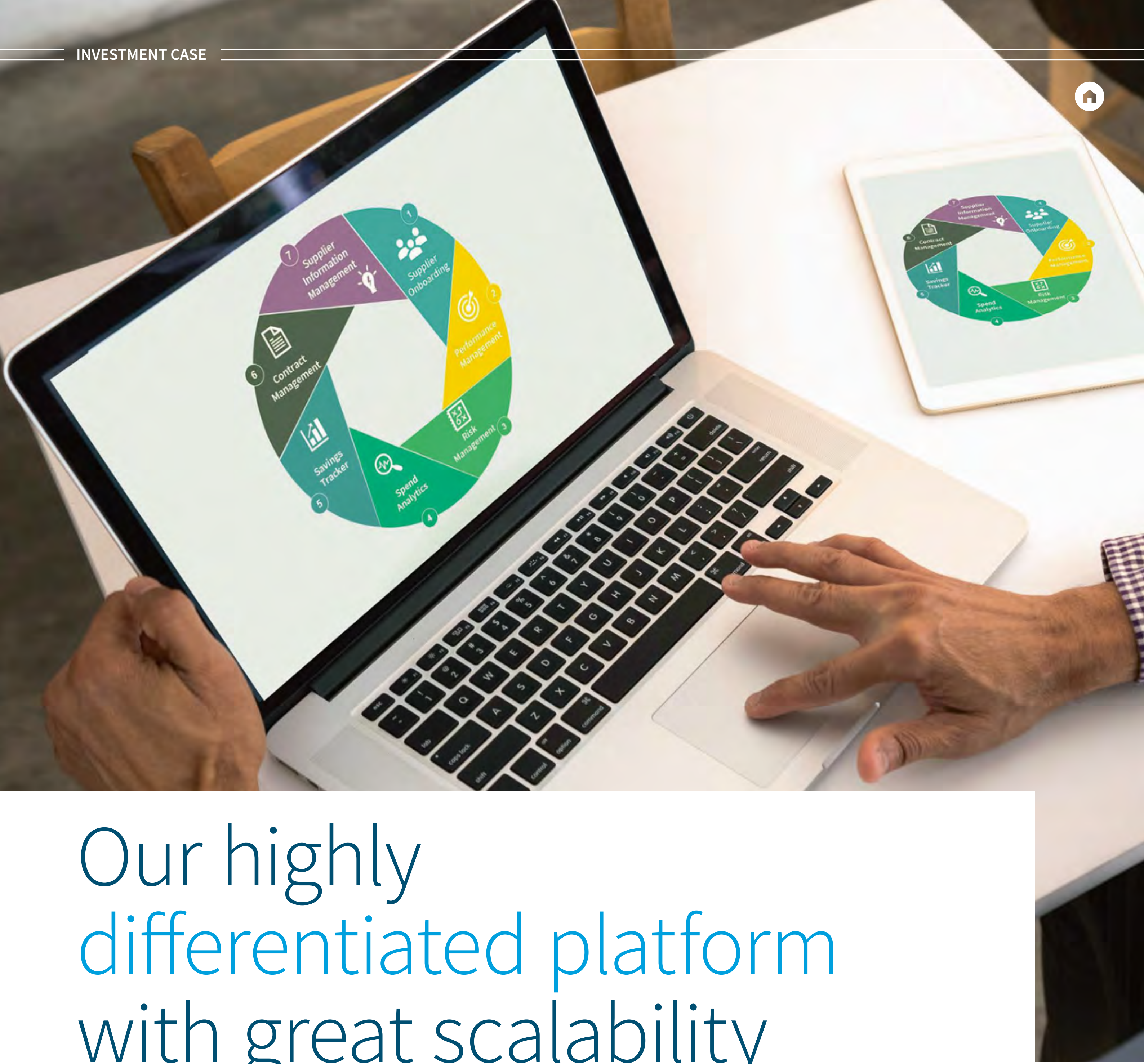
improved by 16%

Backlog (£m)

£6.3m

improved by 26%

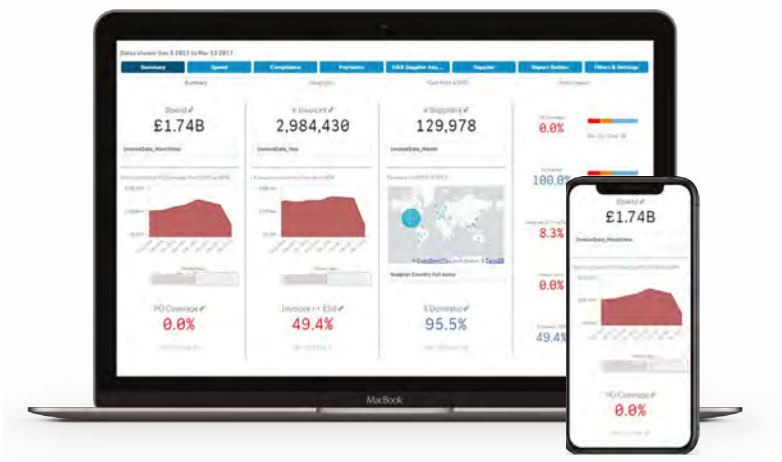
The definitions of ARR and Backlog are shown on p. 12



Our highly differentiated platform with great scalability

The RAPid platform

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



Fully integrated and automated dashboard, providing intelligence and decision-making capabilities.

Smart dashboards
Automatically extract, integrate, cleanse and organise data for accurate self-service reporting and analysis.

Supplier onboarding
Creating a centralised hub of supplier information that delivers better quality insights, faster.

Compliance and document management
Linking business contracts with spend data, supplier performance scorecards, to provide total visibility of your supply base.

SIM
Removing the manual elements of supplier onboarding to create a centralised hub of supplier information that delivers better quality insights, faster.

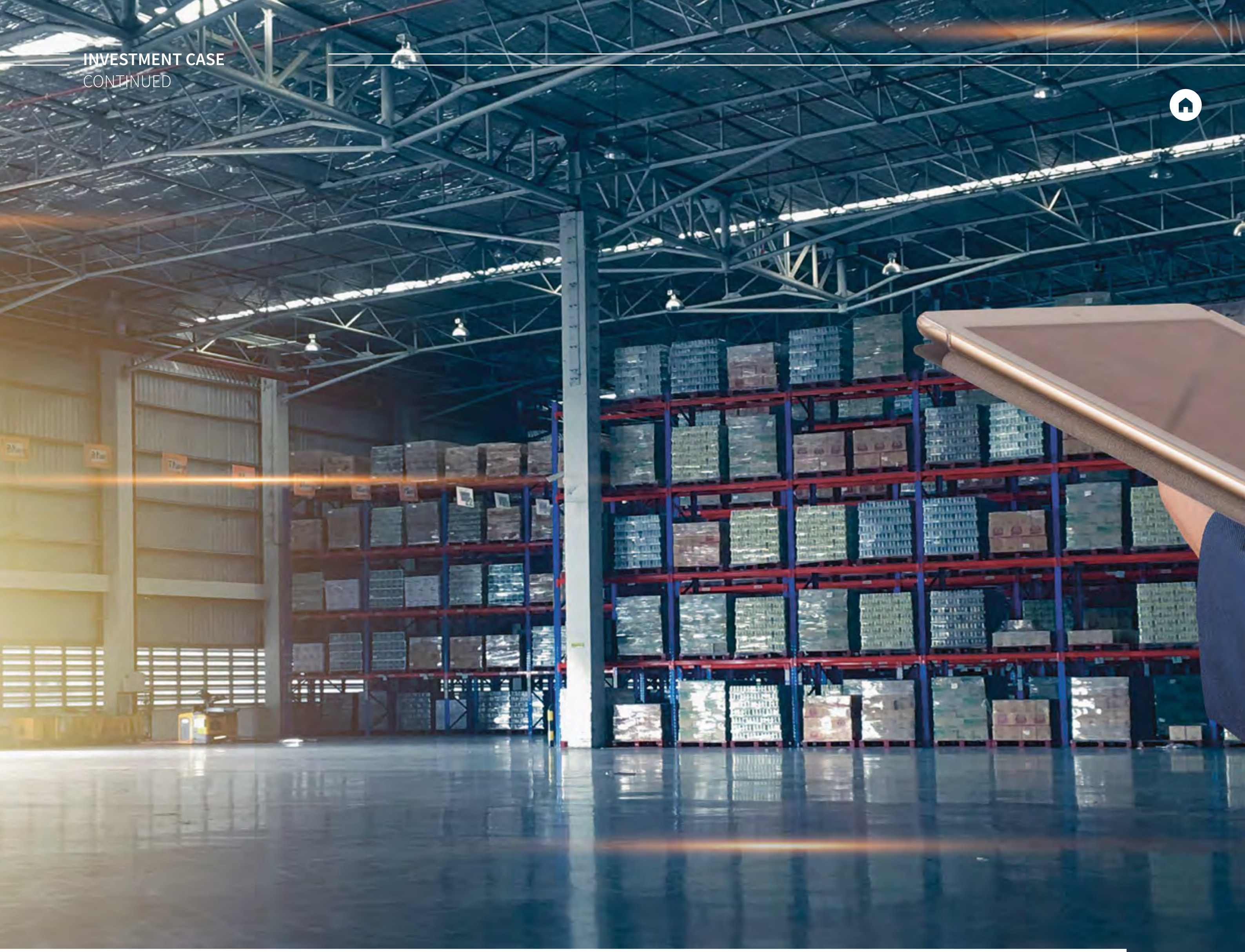
RAPid Advanced Analytics & Intelligence

Savings Tracker
Full visibility of the entire sourcing opportunities pipeline and transparent progression of sourcing projects to ensure accountability and collaboration. Real-time savings forecasts that are understandable for all stakeholders.

Spend analysis
Key to understanding where a business is spending money, who they are spending it with and where there are opportunities for cost savings or improvements or efficiencies.

Risk Modelling
Analysis of both internal and external information such as environmental, risk, news feeds, social media data of a client's supply chain to identify potential current and future risk exposure.

Predictive Analytics
Leveraging our proven experience in both descriptive and diagnostic analysis we provide our clients with predictive analytics leveraging our forecasting statistical modelling techniques to predict likely outcomes.



Our significant growth and market opportunity

PAUL WATTS
Chief Customer Officer

It's an exciting time to be joining Rosslyn Data Technologies in the newly created role of Chief Customer Officer! ("CCO"), with various changes occurring in the sector.

The marketplace for technology has clearly shifted towards a best of breed approach to solving the most complex business problems. On a weekly basis we see new SaaS solutions, intelligent automation tools, and Artificial Intelligence and Machine Learning utilities hit the market.

In 2006, Clive Humby, a British mathematician and entrepreneur in the field of data science and customer-centric business strategies coined the phrase "Data is the new oil". In Humby's formulation, data resembled oil because "it's valuable, but if unrefined it cannot really be used. It has to be changed into gas, plastic, chemicals, etc. to create a valuable entity that drives profitable activity; so, must data be broken down and analysed for it to have any value". This is as true today, as ever.

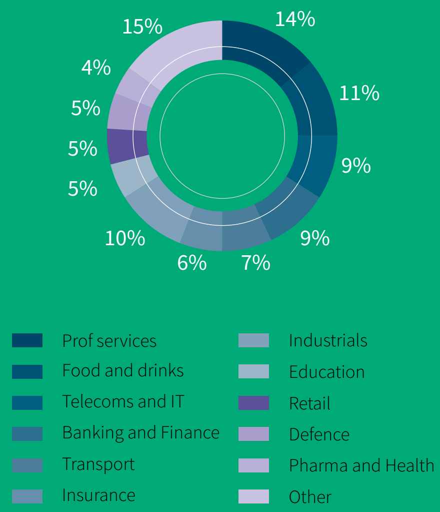
At Rosslyn, our focus for the past fifteen years has been towards the front-end of the data problem; primarily assisting clients to get deeper insights, and support decisions across the supply chain. It is not unusual for these data insights to result in savings in the tens of millions of pounds within months of deployment.

Across the marketplace for e-Procurement technology today, especially in the P2P space, the importance of data analysis is falling through the cracks as the size and scale of these projects overwhelms the project teams.

The Total Addressable Market for these types of solutions is a huge opportunity for Rosslyn, and in this next stage of growth this will form the cornerstone of our transformation of the Go-To-Market functions.

It is our mission to combine the voice of customers, with real thought leadership from our wealth of experience to ensure that risk management, cost savings, social responsibility, and supply chain integrity are actively managed through the highest levels of data governance.

Our market



> "Keeping track of real-time data, external news events, standards for what is deemed "ethical", and the various factors that influence brand loyalty will require a sophisticated suite of technology solutions."

Paul Watts
Chief Customer Officer

In order to best address this market opportunity, we will focus the transformation of our Go-To-Market functions to put customer advocacy, customer experience, and thought leadership as the core mantra.

We are remodelling our business to target a series of primary and secondary market opportunities, with Northern Europe, and North America at its heart. There is a large opportunity within our client base for adding more value through their use of Rosslyn products, and this will provide cross and up-selling opportunities as we look to roll out new account management programs. The experience of COVID-19 during which our clients have become more focused on procurement and supply chain issues of risk, and supplier management is a good example of what is possible through more intense use of RAPid.

As we gain deeper insights, and trusted adviser status with our customers we are looking to revolutionise the complex interface between front-end supply chain execution, and back-end systems of record management.

Our voice in this marketplace will be raised, and with our customers we will aspire to help bring data management into the mainstream narrative of people managing the various levels of accountability across execution of the supply chain.

This is something we believe will command a premium price over and above selling the core system technology, as it is a problem with too many moving parts, and the lens through which it will now be analysed is far more complex than a simple "How much did we save?".

Across almost all geographies, and verticals we have seen a long list of negative publicity with supply chain mismanagement being a key challenge. Keeping track of real-time data, external news events, standards for what is deemed "ethical", and the various factors that influence brand loyalty will require a sophisticated suite of technology solutions. It is this opportunity that makes it the right time for Rosslyn. Our solutions will play a critical role in solving this problem and allow our customers a unique level of return on investment from the total cost of ownership of their data management.

JAMES APPLEBY
Chairman

"We are well positioned for growth. A strong leadership team, high quality and highly relevant product set, and strong financial position enable us to take advantage of market opportunities."

I am pleased to say that this has been a year of solid progress.

The Company strategy is to deliver strong organic growth in our core capabilities, to expand our product capability along the supply chain, and to build our capabilities further via acquisition. During the year we have considerably evolved the Board to help deliver on this strategy.

Ash Mehta joined the Board as Chief Financial Officer in April 2019 and brings significant experience in commercial finance roles at multinational and growth companies; in particular his experience of fundraising in public markets, and of acquisitions, has been invaluable during a year where we have done both.

Ginny Warr joined the Board as an independent non-executive director in May 2019; her experience as Chief Procurement Officer at British Land has brought significant domain expertise in supply chain and procurement management to the Board. This has been very useful as we expand and reposition our procurement and supply chain offerings.

Since year end Paul Watts has joined the Board as Chief Customer Officer. Paul's experience and track record of delivering fast growth at software businesses is critical to our cornerstone strategy of driving organic growth; we believe that this appointment, will, in time, drive not only revenue growth but also increased profitability.

We have also seen some Board departures and I would like to thank again co-founder Charles Clark whose passion and drive helped get the Company to where it is today; Charles stood down as a director in October 2019 and left the business in March 2020, and has moved on to new opportunities. I would also like to thank my predecessor John O'Hara for his tireless efforts in steering the Company during his five-year tenure; John moved from Chairman to Non-Executive Director and after a transition period stood down from the Board in June 2019 to focus on his executive role. The Board wish both John and Charles the very best.

There have been two important events this year. Firstly, the acquisition of the assets of Langdon Systems which provides duty management systems, has added both revenue and ARR, but also showed again the capability of the Company to acquire and rapidly integrate businesses. Secondly, the fundraising via a placement in May 2020 which raised £6.8m net of costs and which positions us strongly to take advantage of market situations. This fundraising was completed at a very fast pace during COVID lockdown and it is testimony to the drive and capabilities of the executive leadership team; I would like to thank Roger, Ash and Hugh for making this happen.

Financially, we were pleased to report a significant increase in Annual Recurring Revenue, and a positive operating EBITDA (excluding share-based payments) for the first time in the Company's history. We have continued to win new blue-chip clients and to evolve our core RAPid product line into a complete Supplier Master Data Management Solution, and have seen the first sale of our Supplier Information Management module.

The one cloud of uncertainty is COVID-19, and whilst some clients continue unaffected, there has understandably been a slow-down in new clients signing up to our services.

Nevertheless, we are well positioned for growth. A strong leadership team, high quality and highly relevant product set, and strong financial position enable us to take advantage of market opportunities.

I look forward to updating you with our half year results in January 2021.

James Appleby
Chairman
21 September 2020

ROGER BULLEN
Chief Executive Officer

I'm delighted to provide a review of our progress during 2019/20; a year of considerable change.

Whilst planning for the year it had become increasingly clear to me that the data analytics sector whilst remaining attractive, was entering a period of significant change, bringing both challenges and opportunities for Rosslyn. In addition, despite improved delivery in recent years, it was also clear that there were several areas where the Company needed to be strengthened, which is why, in April last year we looked at what we needed to do in order to get us into a position of growth.

Three priorities became very clear, technical and product innovation, sales performance and employee engagement. Identifying these three priorities enabled us to focus on particular areas we could address and improve. These priorities provided us with the ability to respond more effectively to our operational challenges. These priorities do not stop, they continue and over time will change the culture of the firm. Ultimately, they will lead to us delivering widespread improvements and better returns for customers, shareholders and stakeholders over both the short and longer term.

Firstly, we took steps to improve the constitution of the sales and marketing teams as well as adding a full time CFO, Ash Mehta. Finding the right candidate to manage our sales and marketing processes took longer than anticipated but I am now delighted that we have Paul Watts on board with his experience in sourcing/procurement solutions and Robotic Process Automation adding considerable knowledge to the team. These additions have helped and will continue to help considerably in building our foundation for the future.

2019 performance

Group revenues grew slightly to £7.1 million, despite removing more than £0.6 million of low-margin contracts which were proving to be a burden on the overall cost base. This removal increased the gross margin to almost 85%, and enabled us to reduce our headcount further to the 63 FTEs required to meet the needs of the business while enabling us to keep our Administration costs stable despite adding seven staff through the acquisition of Langdon.

By making the most of our own technologies to deliver efficiencies in servicing our clients and by ensuring that our cash resources were used efficiently and wisely we were able to deliver a positive operating EBITDA (excluding share based payments) for the first time in the Company's history.

Our other core KPIs of ARR and Backlog (new for 2019/20) have also been increasing with ARR growing by more than 16% to £6.3 million, and Backlog increasing by 26% also to £6.3 million. Backlog is what some businesses would call the order book, i.e. the value of contracts signed but with revenue yet to be recognised in the Income statement. The acquisition of Langdon Systems during the year had a positive impact on the business and added to the ARR growth. The significant change in ARR from our starting position of £5.4 million shows the commitment and focus of the Company and in which we hold this measure.

> "The new products we have introduced, Supplier Information Management and Supplier Master Data Management have been designed to meet the changes we are seeing in the market place, addressing the issues our clients have been facing and struggling to overcome."

2019 performance continued

Our churn rate remains low, less than 10%, but we continue to strive to reduce this, aided by the fact that our full suite of products is designed to be integrated into the operating systems of our clients, making it more embedded into our clients activities than in our past, and thereby adding greater value to clients.

Cash flow, as always, was a critical area of focus for us, becoming more demanding when the global pandemic hit us in March this year. Fortunately we were able to address this head on and through our clients and relationships we were able to not only help our clients but were able to assist our clients in managing their supply chain, ensuring that they could meet the needs and objectives of their respective organisations. At the year end our cash position was £0.8 million, and at the end of August the balance was £7.0 million following our successful fundraising after the period end.

Pipeline

Technical innovation has been a driver for us over the last three years and this year we delivered on our promises, having released two new products to our suite. The new products we have introduced, Supplier Information Management and Supplier Master Data Management have been designed to meet the changes we are seeing in the market place, addressing the issues our clients have been facing and struggling to overcome. These products both utilise our RAPid platform and integrate many of the tools acquired from the Integritie acquisition in 2017.

With data analytics becoming a high priority in many firms, the ability to create that high quality, accurate, single version of the truth, a "Golden Record", and then share this record across the entire organisation is becoming essential. Our technology, our processes and our products allow this to happen as frequently as our clients require, in near real time with as little human intervention as possible, often with zero human intervention.

Our solution brings together the skills built over the last two decades of handling both structured and unstructured data, and in developing algorithms and technologies that maximise the benefits that can be derived from a SaaS platform. Reducing the total cost of ownership, providing operational gearing and providing real time analytical capabilities as well as ensuring that "Golden Record" is updated, is kept pure and is owned by the entire organisation.

In addition, the Duty Management System solution (DMS) that we now operate following the acquisition of Langdon Systems in September last year, will undoubtedly have an impact on the supply chain function. Even if duty rates are minimal or zero across the European region the amount of bureaucracy and record keeping required will increase significantly. With the end of the transition period of Brexit now only a few months away we are seeing a considerable uptick in the number of clients requiring solutions capable of managing their import and export requirements. Again, the DMS solution is now sitting on the RAPid platform and can be delivered quickly and efficiently, with new products being planned over the next quarters as changes in Customs procedures develop.

Outlook

Having achieved a positive EBITDA, and now looking forward to the next twelve months and beyond, we are keen to drive forward utilising our skills and strategy to deliver sustainable organic growth, backed up and supported by further strategic acquisitions that will either enhance our technology or add to our revenues.

Following a successful fundraising of £6.8 million (net) after the year end, we will invest in our revenue growth, our product line and improve the user interface of our products. In the last two months we have more than doubled the size of our sales force, increased the amount invested in Marketing and appointed a Chief Customer Officer, Paul Watts, to manage and develop the team and maximise the opportunities that exist for us. Paul brings

Operational timeline

2017

May
Acquires Integritie raises £4.3m

2018

April
Integration plan complete with headcount down from 86 at acquisition to 73

2019

April
Proprietary technology efficiencies bring headcount down to 62, whilst growing revenues from £6.4m to £7.0m

September
Acquires Langdon Systems

December
Removes low margin revenues to focus on profitable clients

with him more than 25 years' experience in the technology sector, most recently in SaaS procurement and RPA, again emphasising the point of focusing on our strategy, hiring the right people to do the best job.

Despite COVID-19 the demand for our core products continues to grow and our healthy pipeline demonstrates that we are on the right path. Innovation and improvements in the product will continue to generate interest and I believe will enable us to have a successful 2020/21. If anything the impact of COVID-19 on the business has been to highlight the importance of data quality and accessibility and its relevance in determining the risk in and the resilience of the supply chain. This coupled with multinationals' needs to cut costs during this period puts us in a strong position.

More clients are now discussing the criticality of improving the underlying data that is used by our Spend Analytics solution. Extracting value from the "Big Data" spread around their systems is becoming more important for large companies and we see this as extremely positive as it will enable us to interact with the heart of most organisations' ERP and finance systems. With our capability to read and write to and from these ERP systems to the RAPid platform we would expect our average client lifecycle to increase and our already low churn rate to decrease further.

On a separate note, having acquired Langdon Systems we are keen to seek out opportunities for small bolt-on acquisitions that form part of our strategic road-map and that can be enhancing to our financial performance in a relatively short timeframe. Our ability to integrate acquisitions whilst retaining key clients, revenues and staff demonstrates our capabilities and we would expect this to lead to improved gross margins and reduced overheads.

People

Our ambition is to drive a high-performance culture, putting innovation at the heart, remaining true to our values and our purpose: to help organisations do more, achieve more and deliver long term sustainable benefits from using our technology. Our commitment to our customers, our economic and social environment and our people will continue. We understand that our people and their commitment are fundamental parts of Rosslyn's success, future and culture. Having a clear strategy and direction of travel alongside having and hiring the right people, hungry for success, enthused, energetic and capable of delivering that commitment means we are on the right path.

Without the dedication of this great Rosslyn team we would not be able to deliver the levels of expertise and technology demanded by our clients. Ensuring this team is fully engaged understands the goals of the firm and what we are setting out to do is essential to our future success.

During the year, to ensure we were on the correct path, we conducted a new employee survey and during the COVID-19 pandemic we have been taking regular "pulse" surveys, ensuring that we are staying aligned to our commitments and priorities, continuing along the path of openness and integrity. As such I was pleased to see a meaningful improvement in employee engagement scores, which are an important driver of performance. Communication and sharing of the objectives and goals of the firm have been instrumental in developing our culture. A heart felt thank you to the team for all their efforts and commitments to the development and growth of Rosslyn.

Roger Bullen
Chief Executive Officer
21 September 2020

2020

January
Langdon successfully integrated, clients secured, price increases being achieved

February
First sale of Supplier Information Management

March
Master Data Management offering gaining traction in market

April
Rosslyn achieves first EBITDA profit, and plans for next phase of growth

Q&A with Roger Bullen

Three years ago we started a journey to address the complex problems that procurement teams faced within their organisations.

Why did you decide to move into the SMDM space ?

As Rosslyn evolves into assisting Procurement and Purchasing departments carry out "digital transformations" we needed to understand what this means, and the impact on them and on us so we can best support our clients through the process.

Digital transformation is too often stated as a catch all, yet few people really know what improvements, outcome or even objectives they are targeting before they start. In reality, any digital transformation has one big flaw from the outset; the quality of the data. If you don't get this right then precious resources are being wasted.

For more than ten years our RAPid Spend Analytics solution has enabled our clients to improve, enrich and categorise their data. If we can take this technology and apply it earlier in the supplier search and onboarding process, the quality of the data that is being improved, enriched and categorised will be significantly greater.

But why stop here? The benefits of the highly accurate and enriched data needs to be available across the organisation not localised and held on a remote system accessible by a few. This data is the core of the business procurement function and should be accessible across all people involved in purchasing goods and services. If it isn't, you are not realising the true value of the data.

With our capabilities of providing cleansed and enriched data to multi-site, multinational clients through a cloud platform we decided to enter the world of SMDM.

What is SMDM?

Master Data Management (MDM) can cover many different areas within an organisation and is often the first step in digital transformation as it is a collaboration of design, process and technology that enables the building of a secure, accurate, searchable, resilient database, which represents a single version of the truth, known as the "Golden Record". The system is designed in such a way that it can be accessed, interrogated and used enterprise wide across a diverse set of systems and multiple users.

SMDM is exactly this but focused on Suppliers the "S". Building a secure, accurate, resilient database housing all details, knowledge and related documents about your suppliers.

Our SMDM solution is technically advanced, encompasses many different aspects through a Suppliers lifecycle and offers our clients a complete SMDM solution. In David Littler's technology section on page 16, you'll see that our digital transformation for Procurement covers many facets of SMDM, but also integrates all of our products in one suite. Supplier on-boarding, supplier enrichment, supplier and product categorisation, parenting, contract management, supplier performance management, savings capture, supplier risk assessment, spend analytics etc.

One important factor missing from the above is the ability our clients have to interact with the data held within the SMDM database. All data captured, dependent on the ERP or operating system can be fed in real time directly from the SMDM database via our own RPA (Robotic Process Automation) into the organisations ERP systems, either on a one-to-one or one-to-many basis. Access is controlled and administered on a self-service basis with our clients acting as administrator, simplifying the solution and reducing the need for expensive help desks. Any changes or alterations that are made within our client's ERP or other operating systems can be directly interfaced with the SMDM database. All of which require workflows and approval processes to run in order for the "Golden Record" to be updated.

Once installed the "Golden Record" is the most accurate source of data within the organisation, housing all suppliers details, contracts and documents. Providing the possibility for real value insights to be extracted, for true supplier resilience strategies and enabling better relationships to be built ensuring you are maximising the ROI from your procurement investments.

How does it help clients?

I'm sure you've read the term "a single version of the truth" many times when perusing documents about management of data. Creating the single version is hard work, language, spelling mistakes, addresses all cause issues when building the "truth". Therefore, to get to the truth we have to do something different.

Supplier on-boarding processes have been around for a long time, but in reality they have not changed much. They have not addressed the issues faced by a modern Chief Procurement Officer. High quality, accurate supplier data, refreshed in real time, mandatorily kept up to date by the supplier and maintained through efficient workflow processes, accessible by risk, compliance, finance and procurement should be sufficient to interest anyone with accountability for any of these functions.

With all of these functional areas utilising the same database, having access to the documents relevant to their area of expertise, with the ability to request further or new documents whenever they wish from the system, better insights into supplier activity, resilience, financial risk, corporate risk, CSR, environmental issues alongside the procurement focused sourcing, category and performance management, payment terms etc. In my view, getting your supplier master file right and in excellent shape is a great start in improving your procurement functions.

Putting this into a financial benefit context, what SMDM does for clients is that once you have the "Golden Record" your team can focus on the real value add:

- SMDM guarantees data quality and enables organisations to manage and see all suppliers across all categories providing complete visibility.
- Automating the feed between your SMDM solution and you ERP/Operating system removes the possibility of errors in rekeying and entering of data.
- It enables data to be centralised and standardised across the organisation, preventing poor quality and inconsistent data across internal systems.
- Critical tasks such as fiscal reporting, onboarding and integration of supplier data in third party and operational systems can be fully automated.
- Any duplication or errors can be identified and corrected easily and promptly.

- Those suppliers that are strategic for your business can be identified, from which you can ensure you have resilience in, geography, demand, throughput and coverage.
- Ensure you only collect the right data from suppliers, keep enhancing the data over time, but ensure you only collect valuable data. Make sure this is standard (other than local tax regulations !) across the organisation allows you to Identify any risks associated with the suppliers that could have an impact in the future.
- Increases overall productivity and usage of procurement's time to focus on more supplier selection, category management, contract management and supplier performance management etc.
- Use time more efficiently, focused on leveraging current suppliers or finding new ones that meet your exacting criteria.
- Track a supplier's usage and suspend those that haven't been used for a period of time, making sure that the supplier master file is always current and up to date. No more time wasted on "redundant" supplier evaluations.
- Improves the efficiency of the team, enabling them to focus on real procurement issues, with the knowledge that the categorisation and management is accurate and can be relied upon.
- Manage the documentation efficiently and ensure that most value is extracted.
- Ensure payment terms and other relevant factors are complied with judiciously.

Why do you see this as a good market to be in for Rosslyn?

We have an excellent reputation in spend analytics, in enriching and improving the quality of data, as well as integrating unstructured data and documentation into the mix. SMDM is a further extension beyond that.

Procurement departments are seeing digital transformation as a key driver in amending the way they work and their relevance and importance within an organisation. The ability to assist and aid decision making within the supply chain is paramount to the ability to function and operate on a global scale. Having the critical facts and data about the organisation's suppliers, determining how that supply relationship develops and how that data is made actionable across the firm is a huge step forward.

Since COVID-19 procurement digital transformation programmes have moved up the agenda. Getting insight into the supply chain is more relevant now than it has been in the last 100 years. We saw this when we published our COVID-19 dashboard in April 2020, enabling our clients to see where their suppliers were located, and overlaying that with the data for the spread of the disease. This gave our clients invaluable insights: it showed who to contact, where to focus attention and where to seek help. Procurement became a focal point not for cost reduction but for revenue generation and risk management.

If our clients had better data, shared across the organisation, showing the sourcing of new suppliers, the changing of demand streams and enabling the building of a more resilient established supply chain this would have great value. Not only this but when integrated with data within other operating systems (ERPs) we know that one client was able to lengthen payment terms to better preserve cash whilst still maintaining excellent relationships with its suppliers. This improvement in managing supplier relationships is very important in any supply chain; the trust, understanding and ability to have these open conversations is another step to help Procurement become more relevant to an organisation.

Price has for a long time not been the most important driver for Procurement. Of course it is extremely important, but so is supply and demand management, supply performance and supply quality; all things that can be tracked in a full SMDM solution as offered by Rosslyn.

Is there still growth left in Spend Analytics?

Spend Analytics remains the cornerstone of Rosslyn's business. Our capabilities of extraction, transformation, enrichment and visualisation still resonate loudly with our clients. The value and ROI derived from the RAPid Spend Analytics solution are as solid today as they have always been.

Our solution has been updated to include more AI and to fully automate the extraction, transformation and loading of data. Our cycle time for receiving, validating, enriching categorising and visualising a client's data is less than five hours and can be carried out daily, weekly or monthly. All using our own in-house developed intellectual property.

For those clients who aren't yet ready to embrace an SMDM solution the Rapid Spend Analytics tool is perfect. It will enable the cleansing of the Supplier/Vendor Master File and it will provide valuable insights into the data quality across your organisation. More importantly it is an key milestone towards implementing an SMDM solution.

However, we can't afford to be is complacent. New technology is being delivered every day and new AI based solutions are enhancing the client experience. We are embracing this change, if not leading the change is certain aspects. The ability to provide quality data has always been at the forefront of our minds. This quality provides the real value insights, shortchange on quality and you don't get the best result.

If we can do all of this and read and write to and from your enterprise systems, then the value is enhanced dramatically. Efficiencies come from all directions and the data quality improvements are significant.

We've tried for many years to improve the efficiency of data gathering, of enhancing that data and of making sure our clients know the data quality they hold. It is amazing how many world class organisations have data distributed among their systems that differs by geography, business unit, cost centre, plant etc. Often within the same ERP system. If we can remove this from the data we make spend analytics more beneficial, supplier on-boarding more efficient and cost effective and overall give more "bang for your buck".

Spend analytics as a stand-alone solution is still a valid purchase, but if you can improve the quality of the input why wouldn't you. Our SMDM solution has the Spend Analytics tool embedded within the solution, similar user experience, single sign-on and the same visualisation tool set.

Spend and cost reduction will always be a driver for procurement organisations, but are not everything. Procurement departments need to migrate to being more encompassing, helping build and improve the digital experience for other departments within their firms. We are pleased to be able to support our clients in doing that.

Monitoring our progress

Turnover (£m)

£7.1m

Definition

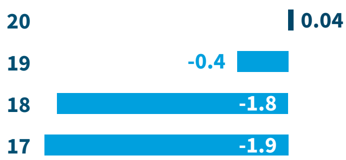
Turnover is the revenue recognised from licenses and professional services work.

Performance

Improved 2.9%.

Operating EBITDA (£m)

£0.04m



Definition

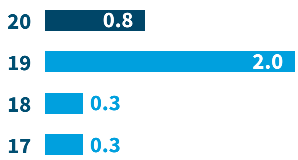
We use Operating EBITDA as a proxy measure for cash generation, so the calculation removes all non-cash items such as depreciation, amortisation, share-based payments, and non-operating items such interest and tax.

Performance

This was positive for the first time in the Company's history.

Cash (£m)

£0.8m



Definition

This is the total cash in the Group including any term deposits.

Performance

Since the year end, we have raised £6.8 million (net of expenses) through a placing with new and existing investors.

ARR (£m)

£6.3m

Definition

The ARR is the total of all live contracts and the annual license value of those contracts at a point in time.

Performance

Improved by 16%.

Backlog (£m)

£6.3m

Definition

Backlog is what some businesses would call the order book, i.e. the value of contracts signed but with revenue yet to be recognised in the Income statement.

Performance

Improved by 26%.

ASH MEHTA
Chief Finance Officer

> "This last year has been a pivotal one for the Group. The EBITDA losses which we have been reducing over the least two years were finally stemmed, and the Group is reporting a positive EBITDA for the first time in its history."

Overview

This last year has been a pivotal one for the Group. The EBITDA losses which we have been reducing over the least two years were finally stemmed, and the Group is reporting a positive EBITDA for the first time in its history.

We regard this as a significant turning point and with the fundraising which completed in late May, after the year end, we have the balance sheet to proceed into our next stage of growth to increasing revenues and EBITDA over the long run. This means investment into sales and marketing, and we have already increased our headcount in this department. There is always a lead time between salespeople being added and starting to deliver sales, and during the period of COVID-19 there remains a high degree of uncertainty on new client wins, so the payback from new salespeople may take longer than ordinarily expected but we know this is crucial for the growth of the Company.

Profit and loss account

Revenue for the year grew 2.1% to £7.1 million (2019: £7.0 million). This was comprised of an increase of 12.7% from our acquisition of Langdon Systems, and a 10.6% fall in underlying revenue. This fall was due to the fact that we terminated client contracts which were very low margin pass-through third-party license business and where we could not secure a sufficient price increase. This had a positive impact on gross margin as well as allowing us to reduce headcount costs of staff who had been supporting those clients.

The gross margin percentage increased to 84.7% (2019: 79.7%). This was partly due to removal of the low margin contracts mentioned above. It was also due to our ongoing work to reduce our cloud storage and processing costs through more efficient utilisation of this resource.

Administrative costs were held stable at £6.0 million despite the addition of seven staff from the Langdon acquisition. With our focus on internal efficiency through process improvements and Robotic Process Automation, we were able to remove a similar number of headcount whilst still maintaining high levels of client service.

The increase in gross margin percentage coupled with Administrative expenses being held stable has resulted in an EBITDA (excluding share-based costs) profit of £36,000 (2019: loss of £432,000). Whilst this is a small number it is very significant for the Group as a milestone to future growth of EBITDA which remains a key metric not just in its own right but as a proxy measure for cash generation in the business.

We continue to invest significantly into research and development for our product range. During the year the Group spent £1.3 million (2019: £0.9 million) on tax relief qualifying research and development on projects such as producing the supplier onboarding module for our RAPid suite, and creating a Duty Management System which integrates with the new HMRC reporting tool, CDS. The Group's policy is to fully expense these costs as they are incurred and excluding this investment EBITDA would have been a profit of £1.3 million (2019: profit of £0.5 million).

Profit and loss account continued

The Group makes full use of the government's R&D Tax Credit scheme and during the year we received £310,000 relating to 2019 and expect to receive £247,000 relating to 2020.

The loss before income tax for the year was £1.90 million (2019: £1.70 million). This includes the impact of £1.7 million (2019: £1.0 million) of amortisation of intangible assets arising from the Integritie acquisition in 2017 and the Langdon acquisition in 2019, a share-based payment charge of £69,000 (2019: £125,000) and the depreciation of right-of-use assets of £40,000 (2019: £nil).

Cash flow and funds

Excluding bank debt, the cash balance at the year-end was £0.8 million (2019: £2.0 million). During the year we drew down the remaining £0.5 million from our £1.5 million term loan facility with Clydesdale Bank. Loan repayments during the year were £905,000 comprised of £632,000 of loan notes repaid in May 2019 and term loan repayments of £273,000.

Cash flow from operating activities was a use of £706,000 (2019: cash generated of £850,000). A large part of this was due to the reversal of favourable cash flow items which existed at the start of the year.

Net debt at the year-end stood at £0.4 million (2019: net cash £0.4 million). Since the year end, we have raised £6.8 million (net of expenses) through a placing with new and existing investors at a premium to the market price at the time, and in which the directors invested in aggregate a total of £171,000. This was raised in order to:

- increase sales and marketing effort to accelerate growth, including building the pipeline in Supplier Master Data Management (SMDM).
- maintain investment into product development.
- strengthen the balance sheet to protect against possible coronavirus impact.
- invest in small, opportunistic bolt-on acquisitions.

Balance sheet

The major movements in the balance sheet during the year were:

- the intangible assets reducing to £2.0 million (2019: £2.9 million) as the assets recognised on previous acquisitions are written down in accordance with our accounting policy.
- the repayment of debt, as described above.
- the reduction in cash due to working capital movements and debt repayments as described above.

Key metrics

The Group regards Revenue and Operating EBITDA to be key financial metrics for the business along with ARR and Backlog.

Annual Recurring Revenue grew by 17% to £6.3 million (2019: £5.4 million), driven partly by the acquisition of Langdon and partly by new client wins. The low margin contracts we removed during the year were a drag on the growth of ARR.

The Backlog grew 26% to £6.3 million (2019: £5.0 million), as a result of the Langdon acquisition, new client wins but also due to clients extending their contract lengths upon renewal.

Acquisition of Langdon Systems

During the year we acquired the IP, software, assets, client list and associated contracts of Langdon Systems Ltd, for a consideration of £49,000. The acquisition was integrated rapidly, and we managed to secure the majority of clients, many of whom have since renewed their contracts. Further details are given in note 19.

IFRS16

This new standard addresses the accounting for leases and requires lessees to recognise all leases on their balance sheet with limited exemptions. This results in the recognition of a right-of-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 impact on the Group's results was minimal and is described in note 24.

Ash Mehta
Chief Finance Officer
21 September 2020

> “We continue to invest significantly into research and development for our product range. During the year the Group invested in producing the supplier onboarding module for our RAPid suite, and creating a Duty Management System which integrates with the new HMRC reporting tool, CDS.”

Q&A with Ash Mehta

What are your key metrics and why these in particular?

Revenue

Well, as in any business Revenue is extremely important, because that is a major factor in whether we are going to be profitable in the year or not. But for us we also look at the type of revenue; so, is it revenue from an implementation service, which is a one-off, or is it license revenue, i.e. recurring over the life of the license? Obviously, the latter is a better quality of revenue and so we measure this as a key metric called Annual Recurring Revenue.

Operating EBITDA

We use Operating EBITDA as a proxy measure for cash generation, so the calculation removes all non-cash items such as depreciation, amortisation, share-based payments, and non-operating items such interest and tax. This tells us how much cash the actual business generated (before working capital movements which fluctuate month to month); clearly an important metric even though we have ample cash on our balance sheet.

Annual Recurring Revenue (“ARR”)

The ARR is the total of all live contracts and the annual license value of those contracts at a point in time. ARR is an important measure in the software industry because this is revenue which we can generally depend upon as a baseline, although of course some clients will not renew at the end of their contracts. The aim is to get the cost base of the company covered by ARR so that anything more in terms of professional services effectively flows down to the profit line.

Backlog

This is what some companies would call the order book, i.e. if we sold nothing more as of today what revenue would we have contracted and still to be recognised. We have started tracking this because it gives investors a sense of how much of the next year’s revenue is already contracted.

For example, at the end of FY20 (30 April 2020) we had a backlog of £6.3m. Some of that will be recognised in FY22 and beyond but a large part of it will be recognised in FY21, and internally we use it as a baseline upon which to build our Sales to the target revenue number.

You mention Sales. What’s the difference in Rosslyn between Sales and Revenue?

Sales is the value of the actual contracts won, whilst revenue is recognised over a period of time. For example, if we win a £400,000 contract, that’s a Sale of the same amount. Typically, one quarter of that will be implementation services. We’ll recognise £100,000 as revenue on a percentage complete basis over the 2-3 months of the implementation. The other three quarters will be three years of the license, so we’ll recognise £100,000 per annum on a straight-line monthly basis.

We measure Sales internally because that’s what the Sales team are incentivised on and this is the measure that contributes to ARR and Backlog and which subsequently gives us revenue. Also, Sales are important as clients usually pay for the services and first year license up front; this helps our cash management.

Why did you seek funding in May 2020?

Well, we could see that we were going to deliver our first ever positive EBITDA. We had also made good progress on product development having added new functionality such as supplier onboarding. We also saw a huge opportunity in master data management. So, all in all it seemed that we were entering a new phase of our growth and we needed funding to be able to invest into that growth. COVID-19 was another consideration; with the uncertainty around what the impact will be and how long it will last we felt we needed to secure the company’s financial stability, which we did.

We’re delighted to have raised the funding for growth and to have an excellent addition of new shareholders along with support from existing shareholders.

Developing the full SMDM suite for procurement

DAVID LITTLER
Chief Technology Officer

The Rosslyn roadmap has continued along four main themes; enhancing the user experience, information management and analytics, deeper automation, and cloud computing.

For better information management and analytics, the addition of RAPid Supplier Onboarding and Supplier Information Management during the year has provided the backbone for effective supplier management programs, by allowing our clients' suppliers to manage their own information which goes into the client's ERP/P2P systems. RAPid enables the centralisation of all operational master data for a group of companies into a single platform. This is the foundation for more efficient operations and optimising existing IT investments in ERP, P2P, Contract and Compliance systems, thereby reducing clients' internal costs of managing this data.

The Rosslyn applications have evolved to accommodate the diversity of enterprise information, and the need to integrate with and manage different structured and unstructured information types.

As businesses strive for more accurate, consistent reporting from up-to-date data, the velocity of data refreshes has increased. Our RAPid Refresh Hub automates the extraction and distribution of clean consolidated data across the business.

Utilising Robotic Process Automation (RPA), RAPid builds clean data around five key principles;

- Accuracy: The data must be correct and precise. Data capture is rules and process driven, which means it is automated to return the correct results.
- Consistency: Once the rules have been created the process manages the consistency, capturing the same data in the same format.
- Validity: Automated confirmation all fields are entered correctly and within acceptable ranges.
- Timely: The data is up-to-date with a near-real-time refresh cadence.
- Accessibility: Consolidated data is available for immediate use, easy to understand and accessible to everyone within the business.

Analytics within the RAPid platform has evolved from; descriptive, which reports on the past; diagnostic, which uses the data of the past to understand why events happened and predictive, which uses insights based on past data to understand what will happen. We are now moving onto the predictive, making data and insights more relevant to businesses to inform decision making on optimal behaviours and actions. There is continual investment in emerging technologies such as; Machine Learning, Augmented Intelligence, Robotic Process Automation and Natural Language Understanding, to innovate how the platform can eliminate the barriers to quality data, remove human intervention, improve the ease of access to meaningful insights and adapt to user behaviours.

The acquisition of Langdon Systems has further expanded the Rosslyn Supply Chain portfolio. Now Integrated into the RAPid platform and consolidated into the Rosslyn Cloud, new releases of the Langdon suite are enhancing the usability and aligning with the operational changes to customs procedures brought about by Brexit and the implementation by HMRC of their new CDS system later this year.

These features combined bring us to the point of being able to provide a wide range of functionality to deliver an integrated Supplier Master Data Management solution for our clients.

Delivering full supplier lifecycle management

1

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.

2

Performance management

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

3

Risk management

Risk can take many shapes including financial compliance, geographical or environmental. Visibility of risks can improve mitigation techniques.

4

Spend analytics

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

5

Savings tracker

Full visibility of the entire sourcing opportunities pipeline and transparent progression of sourcing projects to ensure accountability and collaboration. Real-time savings forecasts that are understandable for all stakeholders.

6

Contract 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.

7

Information management

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

Rosslyn works with a wide range of commercial partners

IBM · pwc · Microsoft · dun & bradstreet · genpact

Our expertise in data and information security

HUGH COX
Chief Information Officer

How big an issue is Information Security?

It's a huge risk, and it continues to grow as a risk for all companies but especially for large corporates such as Rosslyn's clients. The prospect of data theft or the risk to business continuity through malware attacks is on the agenda of every corporate, not only because of the direct impact on the business, but also the reputational impact this can cause to companies which have suffered a serious attack.

How do you manage Information Security?

At Rosslyn, our approach to Risk Management is integral to how we operate Rosslyn to provide comfort to our clients.

Information Security is represented at Board level through me as our Chief Information Security Officer (CISO). Over the last 12 months I've implemented a comprehensive review of Rosslyn's cyber security posture defences with regards to aspects of both external and internal risks. The RAPid cloud platform uses a "defence-in-depth" security strategy, in which series of security layers are implemented so that no single solution is relied upon to provide security.

Our partnership with Microsoft and our use of the Azure cloud platform allows us to fully utilise the Azure Security Intelligence services, which combined with our engagement with specialised cyber security firms, ensures that our Information Security Policy (ISP) is maintained to the highest levels. The ISP covers the physical and cyber security of our information including that held on behalf of third parties and addresses business continuity and disaster recovery procedures. The ISP also encompasses our responsibilities in respect of the General Data Protection Regulation (GDPR) and other non-personal information we handle.

We consider risk assessment and control to be fundamental to achieving our strategic objectives, which is why we maintain both ISO 27001 and ISO 9001 accreditations. Ultimately, this contributes to us protecting our business, people, assets, capital and reputation, as we drive to deliver long-term stakeholder value.

What is the Information Security landscape looking like at the moment?

The growth in the ransomware epidemic we have observed over the last 12 months, will continue and worsen, as long as the practice remains lucrative and relatively easy and risk-free. It's been made easier for the less sophisticated malicious actors to gain access to malware code via paid for subscription services such as ransomware-as-a-service, malware-as-a-service and download-as-a-service. It really is as easy as that.

Over the last 12 months there has been a notable increase in the number of cyber-attacks from individuals, organised groups (sponsored or independent) and governments against major corporations, medium sized business and government bodies across the globe. The majority of cases are extortion related however a growing number are also targeting the theft of Intellectual Property. This has been recently seen through state sponsored cyber-attacks against the pharmaceutical industry and universities by trailing nations seeking to gain information on COVID vaccines.

We're very much aware of the trust our clients place in us and we invest heavily to ensure that our information security is best-in-class, but we can never relax; hackers will always be looking for new ways to breach a company's information security. We always have to stay a few steps ahead.

> "In today's digital and connected world, growth comes from being truly consumer-centric. Enabling smart technologies and data-driven processes will be at the heart of our entire product journey from procurement to shelf. Rosslyn Data Technologies is empowering our procurement organisation globally to be a key enabler of business success by giving us better visibility into our sourcing data and making smarter decisions."

Thibaut Eissautier
Group Chief Procurement Officer, Pladis, owner of food brands McVities, and Godiva

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.

The Problem Our Clients Face

Large corporates usually have grown by acquisition and as a result, all the various legacy solutions are struggling to meet the data management and analytical needs of the modern organisation.

The C Suite realise that existing data solutions fail to deliver their needs, due to limitations such as:

- Differential and disjointed processes across the group
- Lack of clarity and control of data and analysis
- Limited insight into subsidiaries operations
- All divisions maintaining their own unique data points and controls

Read more about our markets
p. 4–5

How Rosslyn helps decision makers

Our clients recognise us for our innovative approach to helping organisations create business value from previously inaccessible data, via a single integrated platform.

- Cleansed and enriched data for reporting and analysis
- Structured and unstructured data in the database
- Integrated reporting and analytics with self-service tools
- Event-driven alerts and automated business processes
- Feed and host business applications with data form RAPid

> "The RAPid cloud platform uses a "defence-in-depth" security strategy, in which series of security layers are implemented so that no single solution is relied upon to provide security."

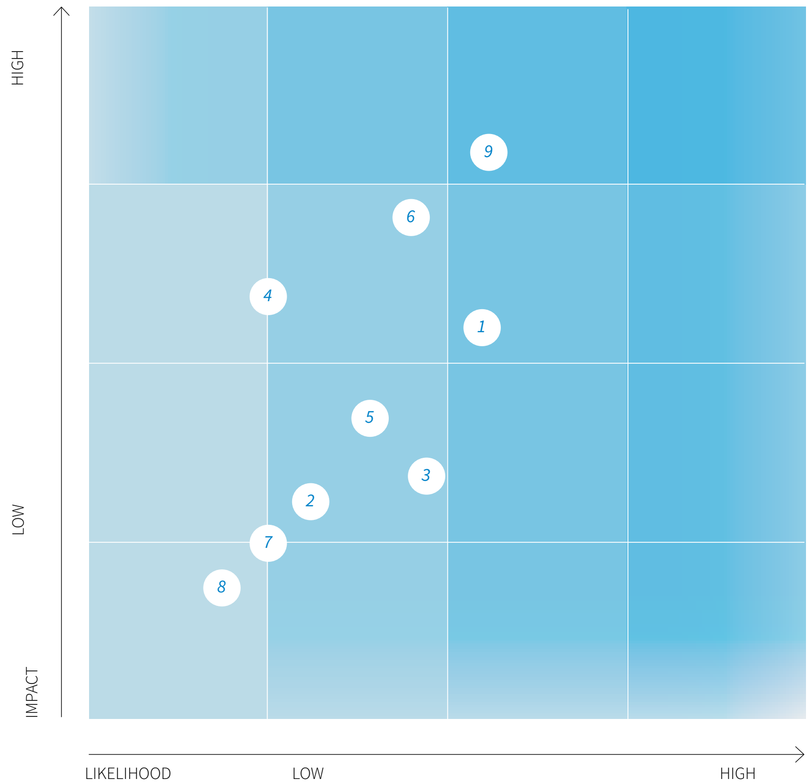
Hugh Cox
Chief Information Officer

Managing our risks effectively

Management of risk

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

The Group seeks to mitigate exposure to all forms of risk where practical and to transfer risk to insurers where cost effective. In this respect the Group maintains a range of insurance policies against major identified insurable risks, including (but not limited to) business interruption, cyber security and employment risks. The major risks are outlined here.



1. COVID-19
2. Dependence on key executives and technical personnel
3. Technical change
4. Reliance on key systems
5. Customer risk
6. Competition risk
7. Product risk
8. Political, economic, and legislative risks
9. Data security

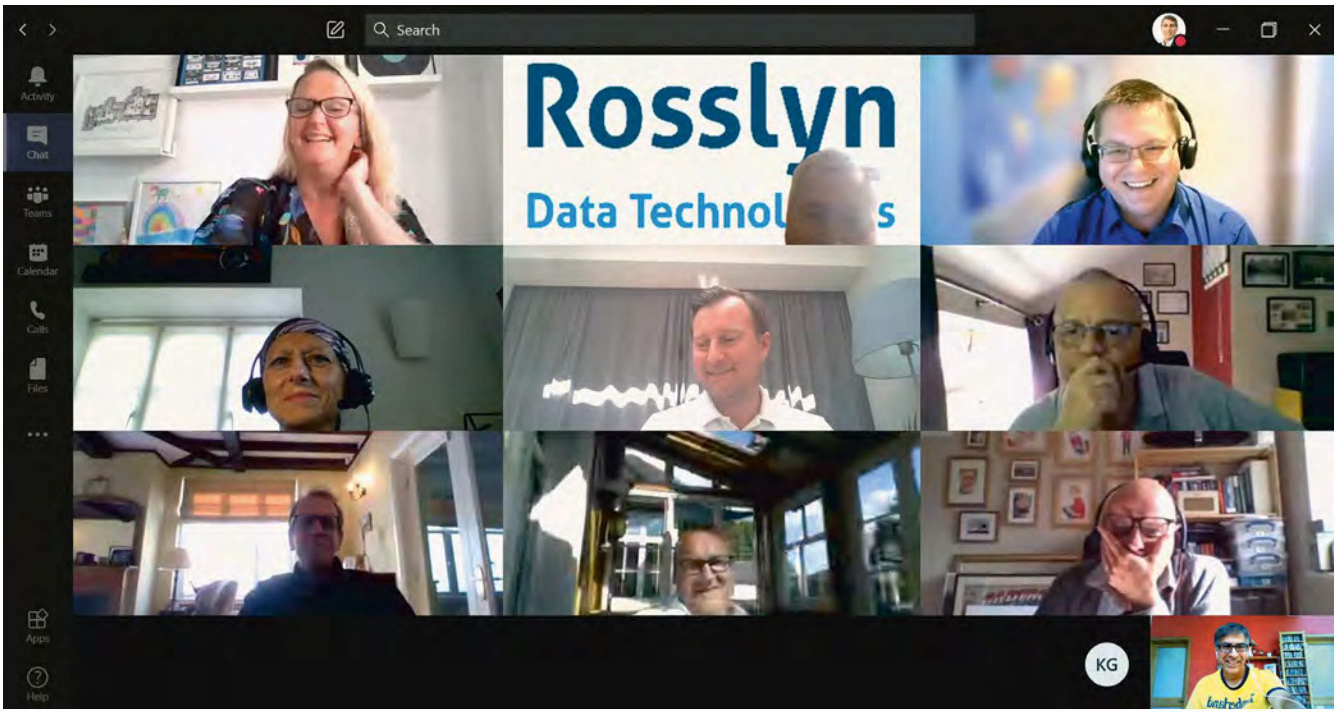
Key risks

Risk	Description	Mitigation	Change during year
1. COVID-19	During the year, COVID-19 arose as a risk to the business. The impact on our operations and client servicing was minimal as the employees and clients were able to access data, which is held in the cloud. The long-term impact may be to increase churn rate if clients wish to reduce costs by ceasing the service. There is also a risk that new client opportunities are slower to conclude. This is described in more detail in the Strategic Review.	COVID-19 has highlighted the possibility of unforeseen global risks, which it is not realistically possible to proactively mitigate for. When it arose, the impact of COVID-19 was mitigated by our resilient IT infrastructure which meant that employees were able to continue to support clients and there was no disruption to client service. The ongoing continuity of service is being kept under constant review.	↗
2. 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.	→
3. 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.	→
4. 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.	→
5. 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.	→

Risk	Description	Mitigation	Change during year
6. 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.	→
7. 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.	→
8. Political, economic, and legislative risks	The Group may be adversely impacted by developments in the political, economic, global 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.	→
9. 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 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.	↗

Supporting our employees and communities

At Rosslyn, our Environmental, Social, and Governance initiatives span a diverse range of activities.



JULIE PAINTER
Head of Employee and Community Engagement

Employee support during COVID-19

Our highest priority in recent months has been the welfare of our staff. Prior to the start of the COVID-19 lockdown, we provided all our staff with the equipment required to work from home.

As part of remote working Rosslyn has encouraged staff to remain connected through formal communication sessions using Microsoft Teams, regular informal office chat calls and to participate in regular company quizzes using Microsoft Teams.

We have encouraged video calls and found them to be particularly effective not just for improved quality of communications by reducing email traffic, but also to assist the well-being of staff and reducing the sense of isolation.

Rosslyn has monitored staff engagement and wellbeing through regular employee "pulse" surveys to check how individuals are feeling, together with giving them additional opportunities to ask for support from both a personal and business perspective.

We have also set up regular on-line Learning Forum calls on Microsoft Teams to support staff and provide knowledge sharing opportunities. Topics have included top tips on remote working, recognising and managing mental health issues, through to Agile project management and Rosslyn product updates.

At Rosslyn we strive to:

- operate equal opportunities and an open, supportive culture for all our employees;
- provide and maintain a clean, healthy and safe working environment;
- uphold the values of honesty, partnership and fairness in our business relationships;
- support the communities we work and live in;
- encourage suppliers to adopt responsible business policies and practices; and
- improve our environmental performance.

"Rosslyn has monitored staff engagement and wellbeing through regular employee "pulse" surveys to check how individuals are feeling."

Employee recognition

Rosslyn continues to celebrate the achievements of our staff through its quarterly employee recognition programme. This gives staff the opportunity to nominate up to three colleagues, who they believe have gone above and beyond in either helping them or a client during that quarter. All nominees are entered into a prize draw and anonymised comments are shared with the individuals nominated and in the quarterly internal newsletter.

Community support

Rosslyn continues to support Kids Out, the fun and happiness charity, which gives disadvantaged children positive experiences to support them becoming successful future members of society and the workforce. Rosslyn undertook two activities during the year.

Our staff donated over 50 gifts of toys at Christmas as part of the Kids Out Giving Tree programme, which aims to give a present to all children living in refuge at Christmas. Since Rosslyn first started supporting the Giving Tree our staff have donated over 200 gifts.

In March 2020, three of our employees volunteered at a Toy Box auditing and packing day at the Kids Out warehouse. The team spent the day sorting donated toys into age-specific categories and then packing a selection of toys into boxes. By the end of the day the team had packed over 1,000 toys into 100 boxes. These toy boxes were then distributed by Kids Out to children who have been rehoused after fleeing domestic abuse, typically leaving all their possessions behind. One of our employee's commented "I couldn't stop smiling and telling my family how satisfying this whole experience was."

Rosslyn also supports and encourages its employees in their individual volunteering and fundraising activities such as:

- time off for voluntary activities, such as mentoring work with the Royal Signals; and
- making donations to its employees chosen charities, which they volunteer for in their spare time. For example one employee volunteers to run the IT system for their local Online Watch Link neighbourhood scheme.

As lockdown starts to ease in the new financial year, further team based voluntary activities will be organised, together with ongoing support of individual employee activities.

Pro bono clients

Rosslyn has continued to work on a pro bono basis with Barnardo's, the children's charity, providing them with data analytics and access to the RAPid platform so they can monitor their spend. In addition, during the year Rosslyn carried out pro bono analysis on the spend of some parts of the British Army.

Julie Painter
Head of Employee and Community Engagement

JAMES APPLEBY
Chairman

Appointed

2018

Board Committees

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.

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

Appointed

2015

Board Committees

Roger has more than 25 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 Limited 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

Appointed

2019

Board Committees

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.

HUGH COX
Chief Information Officer

Appointed

2014

Board Committees

Hugh co-founded Rosslyn Analytics Limited. 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, and is CISSP certified.

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.

PAUL WATTS
Chief Customer Officer

Appointed

2020

Board Committees

Paul is a 30-year veteran of the enterprise software industry, who has held executive leadership roles in North America, EMEA and Asia-Pacific. His primary expertise is in the design and implementation of Go-To-Market transformation initiatives centred around the customer experience. Paul has recent experience covering a variety of emerging technologies including Robotic Process Automation, and Intelligent Automation, as well as a broad spectrum of vertical market knowledge. Paul is passionate about employee welfare, and as such is a non-executive director at GoVida, an early stage start-up with an online platform for employee wellness and health improvement.

Skills and experience

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

GINNY WARR
Non-Executive Director

Appointed

2019

Board Committees

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.

BARNEY QUINN
Non-Executive Director

Appointed

2014

Board Committees

A R

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.

Committee key:

- A Audit Committee
- R Remuneration Committee
- Committee Chair

> "The ability to quickly aggregate data to use in business scenario planning will unlock untapped opportunities and give early warning smoke signals helping to avoid potential dangers head. This will build strength and resilience within your supply chain and your broader business which will prove invaluable."

Ginny Warr
Chief Procurement Officer, British Land

This Corporate Governance Report addresses how the Group complies with each of the ten principles of the QCA Code, and the table below shows on which page information relating to each principle can be found.

No.	Principle	Disclosure in the 2020 annual report
1.	Establish a strategy and business model which promotes long-term value for shareholders	Pages 2–23
2.	Seek to understand and meet shareholder needs and expectations	Pages 28–29
3.	Take into account wider stakeholder and social responsibilities, and their implications for long-term success	Pages 24–25
4.	Embed effective risk management, considering both opportunities and threats, throughout the organisation	Pages 21–23
5.	Maintain the Board as a well-functioning, balanced team led by the Chairman	Pages 26–29
6.	Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities	Pages 26–27
7.	Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	Page 26
8.	Promote a corporate culture that is based on ethical values and behaviours	Page 25
9.	Maintain governance structures and processes that are fit for purpose and support good decision making by the Board	Pages 28–29
10.	Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	Pages 32–33

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 25 and for more information on the key risks posed to the Group in executing the strategy, please see pages 22 and 23.

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 independent Directors consisted of three Executive and three Non-Executive Directors, and since then the Board has appointed an additional Executive Director. 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 2019, 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 two Committees, each with defined terms of reference. They are the Audit Committee and the Remuneration 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. During the year, the Board undertook an internal evaluation with the assistance of external advisers. This has provided useful insights into how the Board can work more effectively.

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

	V Warr	J O'Hara	R Bullen	C Clark	H Cox	J Appleby	B Quinn	A Mehta
Board (scheduled)	10/11	2/2	11/11	3/5	10/11	11/11	10/11	11/11
Audit Committee	—	—	—	—	—	1/1	1/1	—
Remuneration Committee	—	—	—	—	—	1/1	1/1	—

Board Committees

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

Audit Committee

The Audit Committee is chaired by 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.

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 Limited, 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
21 September 2020

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 2019–20

The Committee met once during the year. The attendance is shown in the Corporate Governance Report on page 28.

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 Share Option Schemes.

Activities during the year

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

- review of Executive remuneration strategy and policy;
- consideration of bonuses to the Executive Directors; and
- review of proposed grants of share options under the Share Option Schemes.

Directors' remuneration (audited)

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

	Salary/ commission £'000	Bonus £'000	Benefits £'000	Pension £'000	Share-based payments £'000	**30 April 2020 Total £'000**	30 April 2019 Total £'000
Executive Directors							
Roger Bullen	160	40	—	16	—	**216**	176
Charles Clark	143	—	—	11	—	**154**	197
Hugh Cox	130	33	9	12	—	**184**	139
Ash Mehta	130	33	2	13	—	**178**	3
Non-Executive Directors							
James Appleby	50	—	—	—	—	**50**	33
John O'Hara	5	—	—	—	16	**21**	40
Virginia Warr	29	—	—	—	—	**29**	—
Barney Quinn	30	—	—	—	—	**30**	30
Ed Stacey(i)	—	—	—	—	—	**—**	14
	677	106	11	52	16	**862**	632

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:

	21 September 2020		30 April 2020		30 April 2019	
Director	Number of shares held	Percentage of issued ordinary share capital	Number of shares held	Percentage of issued ordinary share capital	Number of shares held	Percentage of issued ordinary share capital
Hugh Cox	**11,344,784**	**3.35%**	**11,344,784**	**5.88%**	11,161,201	5.79%
James Appleby	**6,545,454**	**1.93%**	**4,545,454**	**2.36%**	4,545,454	2.36%
Roger Bullen	**2,959,883**	**0.87%**	**2,559,883**	**1.33%**	2,559,883	1.33%
Barney Quinn	**1,034,595**	**0.31%**	**614,595**	**0.32%**	614,595	0.32%
Ash Mehta	**600,000**	**0.18%**	**—**	**—**	—	—
Paul Watts	**—**	**—**	**—**	**—**	—	—
Virginia Warr	**—**	**—**	**—**	**—**	—	—

During the year, before his resignation on 30 June 2019 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 on that date.

Share options

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

	21 September 2020		30 April 2020		30 April 2019	
Director	Share options	Weighted exercise price	Share options	Weighted exercise price	Share options	Weighted exercise price
John O'Hara	**—**	**—**	**—**	**—**	240,000	0.50p
Roger Bullen	**9,594,178**	**6.88p**	**6,546,559**	**7.64p**	6,546,559	7.64p
Charles Clark	**—**	**—**	**—**	**—**	1,777,778	5.62p
Hugh Cox	**3,015,873**	**5.47p**	**1,777,778**	**5.62p**	1,777,778	5.62p
Barney Quinn	**1,777,778**	**5.62p**	**1,777,778**	**5.62p**	1,777,778	5.62p
Ash Mehta	**4,522,166**	**5.86p**	**1,379,310**	**7.25p**	1,379,310	7.25p
Paul Watts	**1,923,076**	**5.20p**	**—**	**—**	—	—

Approved by the Board and signed on its behalf by:

Barney Quinn
Chairman of the Remuneration Committee
21 September 2020

The Directors present their report and audited consolidated financial statements for the year ended 30 April 2020.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 6 to 15.

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 39 to 42.

Dividends

The Directors do not recommend the payment of a dividend (2019: £nil).

Going concern

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.

Although the Group has made losses in the current year, much of this loss was due to non-cash items such as depreciation and amortisation. The Directors have prepared cash flow statements for the periods to 30 April 2022 to ensure going concern criteria are met, and they have also produced scenarios for any downturn.

Since the year end, the Company has raised £6.8m, net of expenses, and this balance is expected to be able to provide the Group with sufficient liquidity for the foreseeable future.

In making this assessment the Directors have taken into account any potential impact arising from COVID-19, along with the impact on liquidity of other risks (as described on pages 21 to 23) materialising.

Having considered the forecasts and downturn scenarios, 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

In light of the current UK Government measures and the Company's desire to protect the health and safety of shareholders and employees, the AGM this year will be run as a virtual meeting.

The AGM will be broadcast live on https://www.rosslyndatatech.com/investors/2020agm on 29 October 2020 at 11.30am, and will be available thereafter for viewing.

Shareholders are invited to submit questions beforehand and a representative selection of these questions will be addressed in the meeting.

Directors and Directors' shareholdings

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

James Appleby
Roger Bullen
Hugh Cox
Ash Mehta
Barney Quinn
Virginia Warr (appointed on 20 May 2019)
John O'Hara (resigned on 30 June 2019)
Charles Clark (resigned on 17 October 2019)

Paul Watts was appointed to the Board on 1 September 2020, upon commencing his employment with the Company.

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 page 30.

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 21 September 2020:

Shareholder	Number of shares	Percentage of issued ordinary share capital of the Company and voting rights
Gresham House Asset Management Ltd	88,275,000	26.05%
Amati AIM VCT plc	35,274,692	10.40%
Canaccord Genuity Group Inc	35,000,000	10.33%
Octopus Investments	14,300,000	4.21%
Hugh Cox	11,176,111	3.35%
IQ Capital Partners	11,062,712	3.26%
Eiffel Investment Group	10,480,000	3.09%

Research and development

During the year the Group spent £1,300,000 (2019: £1,090,000) on tax relief qualifying research and development for the purpose of enhancing the Group's product offerings. All amounts were expensed during the year.

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 (2019: £nil) and made charitable donations of £200 (2019: £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 22 to the financial statements.

A summary of key risks and their mitigation is shown on pages 22 and 23.

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 2020 and the amount owed to its trade creditors at 30 April 2020 was 77 days (2019: 45 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 ad-hoc tax matters for the Group, and eligibility of the Company's newly issued shares for VCT/EIS investments.

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
21 September 2020

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 2020, 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 2020 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as COVID-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

COVID-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

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.

In our evaluation of the directors' conclusions, we considered the risks associated with the group's business, including effects arising from macro-economic uncertainties such as COVID-19 and Brexit, and analysed how those risks might affect the group's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group will continue in operation.

Grant Thornton

Overview of our audit approach

- Overall group materiality: £140,000, which represents 2% of the group's 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. We audited specific classes of transactions and account balances in component location 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' Customers' and checking it has been consistently applied; • substantive testing of deferred revenue by agreeing deferred amount to customer contracts and performing tests of details over a sample of deferred income and accrued income at year end to determine that amounts were calculated accurately and recognised in line with the Group's accounting policies; and • tests of detail over a sample of revenue transactions to determine whether the revenue recognised was valid, had occurred and was recognised in line with the group's accounting policies and contract terms agreed with customers. 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

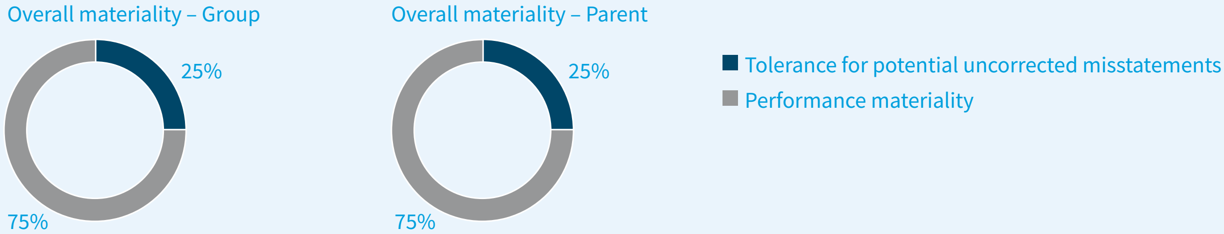
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating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

Materiality was determined as follows:

Materiality measure	Group	Parent
Financial statements as a whole	£143,000 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 2019 as a result of the increase in group revenues.	£142,000 which is set at 2% of the parent company's total assets capped below group materiality. This benchmark is considered the most appropriate because the parent company does not trade externally but functions primarily as a holding company for its investments in subsidiaries. Materiality for the current year is higher than the level that we determined for the year ended 30 April 2019 as a result of the increase in group materiality.
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	£7,100 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£7,000 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.



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:

- 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 as a percentage of the group's total assets, revenues and profit before taxation or based on qualitative factors, such as specific use is or concerns over specific components;
- performing full-scope audit procedures of the financial statements of the UK components, including the parent company, based on their relative materiality to the group and our assessment of the audit risks. Our audit procedures included substantive testing on significant and material transactions and account balances;
- performing audit of account balances and classes of transactions of the component in the United States of America determined to likely include significant risk of material misstatement; and
- evaluation of 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 full-scope audit procedures and audit of account balances and classes of transactions of the US operations 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. The total percentage coverage of full-scope and specific audit procedures over the Group's revenue and total assets was 100%.

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 32, 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
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Crawley
21 September 2020

for the year ended 30 April 2020

	Note	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
Revenue	3	**7,109**	6,965
Cost of sales		**(1,086)**	(1,416)
Gross profit		**6,023**	5,549
Administrative expenses		**(5,987)**	(5,993)
Depreciation and amortisation		**(1,703)**	(1,041)
Share-based payments		**(69)**	(125)
Operating loss		**(1,736)**	(1,610)
Finance income	5	**—**	1
Finance costs	5	**(160)**	(87)
Loss before income tax	6	**(1,896)**	(1,696)
Income tax	7	**316**	595
Loss for the year		**(1,580)**	(1,101)
Other comprehensive income		**(4)**	(27)
Total comprehensive income		**(1,584)**	(1,128)

Loss per share		**Pence**	Pence
Basic and diluted loss per share: ordinary shareholders	8	**0.82**	0.59

Total administrative expenses for the year were £7,759,000 (2019: £7,159,000).

The notes on pages 43 to 62 form part of these financial statements.

as at 30 April 2020

	Note	30 April 2020 £'000	30 April 2019 £'000
Assets			
Non-current assets			
Intangible assets	9	**2,029**	2,946
Property, plant and equipment	10	**13**	14
Right-of-use assets	11	**52**	—
		2,094	2,960
Current assets			
Trade and other receivables	12	**2,039**	1,697
Corporation tax receivable		**196**	363
Cash and cash equivalents	13	**794**	1,960
		3,029	4,020
Total assets		**5,123**	6,980
Liabilities			
Non-current liabilities			
Trade and other payables	14	**(135)**	(126)
Deferred tax	16	**(145)**	(218)
Financial liabilities – borrowings	15	**(828)**	(653)
		(1,108)	(997)
Current liabilities			
Trade and other payables	14	**(4,109)**	(4,018)
Financial liabilities – borrowings	15	**(388)**	(934)
		(4,497)	(4,952)
Total liabilities		**(5,605)**	(5,949)
Net assets		**(482)**	1,031
Equity			
Called up share capital	18	**965**	963
Share premium		**12,777**	12,777
Share-based payment reserve		**470**	515
Accumulated loss		**(19,707)**	(18,241)
Translation reserve		**(120)**	(116)
Merger reserve		**5,133**	5,133
Total equity		**(482)**	1,031

The notes on pages 43 to 62 form part of these financial statements.

The financial statements were approved by the Board of Directors on 21 September 2020 and were signed on its behalf by:

Roger Bullen
Chief Executive Officer
21 September 2020

for the year ended 30 April 2020

	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 2018		941	(17,140)	(90)	390	12,555	5,133	1,789
Issue of share capital	18	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
Balance at 1 May 2019		963	(18,241)	(116)	515	12,777	5,133	1,031
Issue of share capital	18	2	—	—	—	—	—	2
Share-based payment transaction		—	114	—	(45)	—	—	69
Loss for the year		—	(1,580)	—	—	—	—	(1,580)
Other comprehensive income		—	—	(4)	—	—	—	(4)
Balance at 30 April 2020		**965**	**(19,707)**	**(120)**	**470**	**12,777**	**5,133**	**(482)**

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

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

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

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

The notes on pages 43 to 62 form part of these financial statements.

for the year ended 30 April 2020

	Note	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
Cash flows used in operating activities			
Cash generated in operations	See below	**(856)**	220
Finance income	5	**—**	1
Finance costs	5	**(160)**	(87)
Corporation tax received		**310**	716
Net cash (used in)/generated from operating activities		**(706)**	850
Cash flows used in investing activities			
Purchase of property, plant and equipment	10	**(8)**	(10)
Acquisition of business	19	**(49)**	—
Net cash used in investing activities		**(57)**	(10)
Cash flows generated from financing activities			
New loans in year	15	**500**	1,000
Repayment of borrowings	15	**(905)**	(441)
Proceeds from share issuance	18	**2**	250
Costs of share issuance		**—**	(6)
Net cash (used in)/generated from financing activities		**(403)**	803
Net (decrease)/increase in cash and cash equivalents		**(1,166)**	1,643
Cash and cash equivalents at beginning of year	13	**1,960**	317
Cash and cash equivalents at end of year	13	**794**	1,960

Reconciliation of loss before income tax to cash used in operations

	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
Loss before income tax	**(1,896)**	(1,696)
Depreciation, amortisation and impairment charges	**1,703**	1,041
Share-based payment transactions	**69**	125
Finance income	**—**	(1)
Finance costs	**160**	87
	36	(444)
Increase/(decrease) in trade and other receivables	**(342)**	453
(Decrease)/increase in trade and other payables	**(550)**	211
Cash (used in)/generated from operations	**(856)**	220

The notes on pages 43 to 62 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 Limited and Rosslyn Data Management Limited, 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.

In 2019 the Group has adopted new guidance for the recognition of leases (see note 11). The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adoption as at 1 May 2019 being recognised as a single adjustment to retained earnings. Accordingly, the Group is not required to present a third statement of financial position as at that date.

2. Accounting policies

Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRIC) as adopted by the European Union and in accordance with the Companies Act 2006 as applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Going concern

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. Although the Group has made losses in the current year, much of this loss was due to non-cash items such as depreciation and amortisation. The Directors have prepared cash flow statements for the periods to 30 April 2022 to ensure going concern criteria are met, and they have also produced scenarios for any downturn.

Since the year end, the Company has raised £6.8m, net of expenses, and this balance is expected to be able to provide the Group with sufficient liquidity for the foreseeable future. In making this assessment the Directors have taken into account any potential impact arising from COVID-19, along with the impact on liquidity of other risks materialising.

Having considered the forecasts and downturn scenarios, 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 Limited, via a share for share exchange whereby every ordinary share and A preference share in Rosslyn Analytics Limited was exchanged for eight ordinary shares and eight A preference shares respectively in Rosslyn Data Technologies Limited (prior to the conversion to a plc on 24 April 2014). On 24 April 2014 the A preference shares were converted into ordinary shares on a one-for-one basis.

On 29 April 2014, 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 Limited.

The consolidated statement of comprehensive income and statement of financial position include the financial statements of the Company and its subsidiary undertakings as of 30 April 2020.

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

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

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

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

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the Consolidated Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained.

2. Accounting policies continued

Subsidiaries

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

Transactions eliminated on consolidation

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

Judgements and estimates

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

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 23); 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 16).

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

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

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

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

2. Accounting policies continued

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

No impairment review was performed during the year as no indicators of impairment were identified. 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.

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.

2. Accounting policies continued

Group companies

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

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

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

	2020	2019
US dollars	**1.25**	1.30
Euros	**1.15**	1.13

Retirement benefits

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

Leases

The Group's accounting policies for leases are set out in note 11.

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.

2. Accounting policies continued

Share capital and share premium

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

Share-based payments

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

Borrowings

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

Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are discounted at a rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. The increase in the provision due to passage of time is recognised in finance costs.

Net finance costs

Finance costs

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

Finance income

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

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

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

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

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. The following amendments are effective for the period beginning 1 January 2020:

- IAS 1 Presentation of financial statements and IAS 8 Accounting policies, changes in accounting estimates and errors (Amendment – Definition of Material);
- IFRS 3 Business combinations (Amendment – Definition of Business); and
- Revised Conceptual Framework for Financial Reporting.

2. Accounting policies continued

Standards, amendments and interpretations continued

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group continued

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that "settlement" includes the transfer of cash, goods, services or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

The Group is currently assessing the impact of these new accounting standards and amendments. The Group does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities. The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Group.

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 2020 £'000	Year ended 30 April 2019 £'000
Annual licence fees	**5,105**	5,437
Professional services	**1,121**	1,528
Continuing operations	**6,226**	6,965
Annual licence fees	**520**	—
Professional services	**363**	—
Acquisitions	**883**	—
Total revenue	**7,109**	6,965

	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
UK and Europe	**5,638**	5,329
North America and Rest of the World	**1,471**	1,636
Total revenue	**7,109**	6,965

4. Employees and Directors

	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
Wages and salaries	**3,792**	3,755
Social security costs	**425**	430
Other pension costs	**146**	98
Share-based payment expense – Directors	**57**	95
Share-based payment expense – staff	**13**	30
	4,433	4,408

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

	Year ended 30 April 2020	Year ended 30 April 2019
Management	**7**	6
Research and development	**27**	23
Sales, marketing and administration	**29**	33
	63	62

	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
Directors' emoluments	**810**	578
Directors' pension contributions to money purchase schemes	**52**	40
The number of Directors to whom retirement benefits were accruing was as follows:		
Money purchase schemes	**4**	3

During the year one (2019: none) Director exercised share options. Details are shown in the Remuneration Report.

Information regarding the highest paid Director is as follows:

	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
Aggregate emoluments	**200**	185

There were pension contributions in respect of the highest paid Director of £16,000 (2019: £12,000). The highest paid Director exercised nil (2019: nil) share options during the year (see note 23).

5. Net finance costs

	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
Finance income		
Interest receivable	**—**	1
Finance costs		
Loan interest paid	**(160)**	(87)
Net finance costs	**(160)**	(86)

6. Loss before income tax

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

	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
Share-based payments	**69**	125
Depreciation – owned assets	**9**	18
Amortisation of intangible assets	**1,654**	1,023
Amortisation of right-of-use assets	**40**	—
Research and development cost	**1,300**	1,090
Auditor's remuneration – audit of the Group and Company financial statements	**26**	23
Auditor's remuneration, other services – audit of the subsidiary financial statements	**42**	42
Auditor's remuneration for non-audit services – tax compliance services	**—**	10
Auditor's remuneration for non-audit services – other tax advisory services	**—**	7
Operating lease rentals	**206**	281
Foreign exchange (gains)/losses	**19**	(4)

The operating EBITDA is calculated as shown below:

	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
Operating loss	**(1,736)**	(1,610)
Depreciation and amortisation	**1,703**	1,041
Share-based payments	**69**	125
Acquisition costs	**—**	12
Operating EBITDA	**36**	(432)

7. Income tax

Analysis of income tax

	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
Current tax		
Corporation tax on losses of the year	**(204)**	(363)
Prior year adjustment	**61**	(159)
Total current tax	**(143)**	(522)
Deferred tax		
Origination and reversal of timing differences (see note 16)	**(173)**	(73)
Total tax	**(316)**	(595)

7. Income tax continued

Factors affecting the tax credit

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

	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
Loss on ordinary activities before tax	**(1,896)**	(1,696)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	**(360)**	(322)
Effects of:		
Prior year adjustment	**61**	(159)
Disallowable expenses	**28**	29
Unrecognised deferred tax asset on losses	**511**	220
Tax arising on acquisitions	**(100)**	—
Fixed asset differences	**6**	—
Remeasurement of deferred tax for changes in tax rates	**(249)**	—
Research and development tax credit	**(213)**	(363)
Total tax	**(316)**	(595)

The standard rate of corporation tax remained unchanged at 19% for the accounting period to 30 April 2020; accordingly, the Group's profits were taxed at 19% for that year.

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 2020	Year ended 30 April 2019
Loss for the year attributable to the owners of the parent	**£1,580,000**	£1,128,000
Weighted average number of ordinary shares	**192,884,046**	192,675,521

	Pence	Pence
Basic and diluted loss per share: ordinary shareholders	**0.82**	0.59

As the Group recorded a loss for the year, the basic and diluted loss per share are the same amount.

9. Intangible assets

	Goodwill £'000	Acquired software licences £'000	Internally developed software £'000	Customer relationships £'000	Total £'000
Cost					
At 1 May 2019	364	559	498	3,936	5,357
Acquisition through business combination	162	—	49	526	737
At 30 April 2020	**526**	**559**	**547**	**4,462**	**6,094**
Accumulated amortisation					
At 1 May 2019	364	273	200	1,574	2,411
Amortisation	—	136	100	787	1,023
Impairment/amortisation of business combination assets	100	12	13	506	631
At 30 April 2020	**464**	**421**	**313**	**2,867**	**4,065**
Net book value					
At 30 April 2019	—	286	298	2,363	2,946
At 30 April 2020	**62**	**138**	**234**	**1,595**	**2,029**

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

The acquisition giving rise to the addition to cost during the year is described in note 19.

10. Property, plant and equipment

	Fixtures, fittings and equipment £'000
Cost	
At 1 May 2018	114
Additions	10
At 30 April 2019	124
At 1 May 2019	124
Additions	8
At 30 April 2020	**132**
Accumulated amortisation and impairment	
At 1 May 2018	92
Charge for the year	18
At 30 April 2019	110
At 1 May 2019	110
Charge for the year	9
At 30 April 2020	**119**
Net book value	
At 30 April 2019	14
At 30 April 2020	**13**

11. Leases

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

- leases of low value assets; and
- leases with a duration of twelve months or less.

IFRS 16 was adopted on 1 May 2019 without restatement of comparative figures. For an explanation of the transitional requirements that were applied as at 1 May 2019, see note 24. The following policies apply subsequent to the date of initial application.

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

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

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

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

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

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

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

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

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

11. Leases continued

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

	Land and buildings £'000
Right-of-use assets	
At 1 May 2019	—
Impact of transition to IFRS 16	92
At 1 May 2019, as restated	92
Amortisation	(40)
At 30 April 2020	**52**
Lease liabilities	
At 1 May 2019	—
Impact of transition to IFRS 16	92
At 1 May 2019, as restated	92
Lease payments	(40)
At 30 April 2020	**52**

At 30 April 2020	Within one year £'000	One to two years £'000	Two to five years £'000	Over five years £'000
Lease liabilities	40	12	—	—

These liabilities are secured by the Right of Use assets in the Consolidated Statement of Financial Position. The minimum lease payments are £52,000 and relate to two office leases in Portsmouth and Warrington. The terms of the Group's London office fall outside the scope of IFRS 16 and so the payments are not recognised as an IFRS16 lease liability.

Accounting policy applicable before 1 May 2019

Finance leases

Management applies judgement in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Group obtains ownership of the asset at the end of the lease term.

For leases of land and buildings, the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interests. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life. See note 2 for the depreciation methods and useful lives for assets held under finance leases.

The interest element of lease payments is charged to profit or loss, as finance costs over the period of the lease.

Operating leases

All other leases are treated as operating leases. Where the Group is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

12. Trade and other receivables

	2020 £'000	2019 £'000
Amounts falling due within one year		
Trade receivables due but not past due	**925**	1,278
Trade receivables past due	**150**	94
Impairment provision	**—**	(1)
Trade receivables – net	**1,075**	1,371
Other receivables	**60**	65
Prepayments and accrued revenue	**904**	261
	2,039	1,697

12. Trade and other receivables continued

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 expected due date.

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

	2020 £'000	2019 £'000
At start of year	**1**	13
Provision for receivables impairment	**—**	1
Provision release	**(1)**	(13)
At end of year	**—**	1

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:

	2020 £'000	2019 £'000
US dollars	**235**	193
Euros	**68**	187
	303	380

13. Cash and cash equivalents

	2020 £'000	2019 £'000
Cash at bank	**794**	1,960

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

	2020 £'000	2019 £'000
US dollars	**149**	179
Euros	**92**	184
	241	363

14. Trade and other payables

	2020 £'000	2019 £'000
Non-current		
Accruals and deferred revenue	**135**	126
	135	126
Current		
Trade payables	**547**	416
Social security and other taxes	**241**	426
Other payables	**68**	24
Accruals and deferred revenue	**3,253**	3,152
	4,109	4,018

Included with accruals and deferred revenue is an amount of £2,681,000 (2019: £2,658,000) in relation to deferred revenue.

15. Borrowings

	2020 £'000	2019 £'000
Non-current		
Secured loans	**828**	653
	828	653
Current		
Secured loans	**388**	934
	388	934

The Group has a three-year £1.5m secured facility with Clydesdale Bank, with an interest rate of 7.75% plus three-month LIBOR. £1.0m was drawn down in March 2019 with a further £0.5m drawn down in October 2019. In May 2019, the Group repaid loan notes and other loans of £633,000.

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

				2020		2019	
	Currency	Nominal interest rate	Year of maturity	Face value £'000	Carrying value £'000	Face value £'000	Carrying value £'000
Secured loan	GBP	7.85%	2022	**1,227**	**1,216**	1,000	954
Loan notes	GBP	5.0%	2019	**—**	**—**	633	633
Total interest-bearing liabilities				**1,227**	**1,216**	1,633	1,587

Details of the payment profile are included in note 22.

Reconciliation of net debt

	Loan notes £'000	Secured loan £'000	Net debt £'000
At 1 May 2019	633	954	1,587
Repayment	(633)	(273)	(906)
Amortisation of capitalised costs	—	35	35
Proceeds	—	500	500
At 30 April 2020	**—**	**1,216**	**1,216**
Current liabilities	—	388	388
Non-current liabilities	—	828	828
At 30 April 2020	**—**	**1,216**	**1,216**
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

16. Deferred tax

Deferred tax relates to the following:

	2020 £'000	2019 £'000
Accelerated capital allowances	—	—
Deferred tax asset relating to losses	—	—
Deferred tax liability arising on fair value adjustments on acquisition	**145**	218

The movement in deferred tax is shown below:

	2020 £'000	2019 £'000
Deferred tax liability at start of year	**218**	291
Deferred tax liability arising on business combinations	**100**	—
Deferred tax asset on losses	—	(19)
Accelerated capital allowances	—	19
Release deferred tax liability	**(173)**	(73)
Deferred tax liability at end of year	**145**	218

At the balance sheet date the Group had available tax losses of £11,548,996 (2019: £13,762,000) available for offset against future profits. A deferred tax asset has been recognised in respect of £nil (2019: £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 £11,548,996 (2019: £13,781,000) due to the unpredictability of future profit streams. Substantially all of the losses may be carried forward indefinitely.

17. Net funds

Analysis of net funds

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

	2020 £'000	2019 £'000
Cash and cash equivalents	**794**	1,960
Interest-bearing loans	**(1,216)**	(1,587)
Net funds/debt	**(422)**	373

18. Called up share capital

Allotted, issued and fully paid

Number	Class	Nominal value	2020 £'000	2019 £'000
192,915,521 (2019: 192,675,521)	Ordinary shares	£0.005 (2019: £0.005)	**965**	963
			965	963

During the year, 240,000 fully paid ordinary shares of £0.005 each were allotted at £0.005 per share. In the prior year, there were 4,545,454 fully paid ordinary shares allotted of £0.005 each at £0.055 per share.

On 28 May 2020, the Company issued 146,000,000 fully paid ordinary shares of £0.005 at £0.050 per share, bringing the total number of fully paid ordinary shares in issue to 338,915,521.

19. Acquisitions during the year

On 23 September 2019, the Group acquired the trade and software assets of Langdon Systems Limited ("Langdon") from its administrators. The Langdon business specialises in bulk handling of supply chain data with a strong position in import and export duty management systems, providing import and export data reporting, visualisation and data mining for both on-premise and cloud-based solutions. The business has a blue-chip client base of 60 clients similar to that of Rosslyn but with little or no overlap. The acquisition will provide continuity and security for many leading UK companies that rely on Langdon's service.

Moreover, the Directors believe the acquisition will enhance the Group's product and customer base, increase its recurring revenue streams and provide cross-selling opportunities.

Rosslyn acquired the assets, primarily comprised of software IP, client list and associated contracts, for a consideration of £49,000, funded by the Group's existing cash resources.

Details of the fair value of identifiable assets and liabilities acquired, and the purchase consideration are as follows:

Fair value of assets and liabilities acquired	£'000
Contract and customer-related intangible assets (recognised on acquisition)	**526**
Intellectual property of internally generated software (recognised on acquisition)	**49**
Trade payable and other liabilities	**(62)**
Deferred tax arising on business combinations	**(100)**
Deferred income	**(526)**
Net liabilities assumed	**(113)**

	£'000
Amount settled in cash to the sellers	**49**
Total consideration	**49**
Goodwill (note 9)	**162**

Langdon contributed £883,000 to Group revenues and £18,000 to Group profit between the date of acquisition and 30 April 2020. If the acquisition had occurred on 1 May 2019, it is estimated that Group revenue would have been £7,544,000 and Group loss would have been £1,441,000 for the year to 30 April 2020.

20. Related party disclosures

During the year, the Group invoiced Delphinus Advisory Ltd the sum of £12,000 (2019: £14,000) for provision of technology-related services; Roger Bullen is a director of Delphinus Advisory Ltd.

21. Ultimate controlling party

There was no ultimate controlling party as at 30 April 2020 or 30 April 2019.

22. Financial instruments

Financial instrument risk exposure and management

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

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

There have 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.

22. Financial instruments continued

Financial instrument risk exposure and management continued

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	2020 £'000	2019 £'000
Current financial assets		
Trade and other receivables	**1,135**	1,436
Cash and cash equivalents – loans and receivables	**794**	1,960
Total current financial assets	**1,929**	3,396
Current financial liabilities		
Trade and other payables	**1,187**	934
Loans and borrowings	**388**	934
Total current financial liabilities	**1,575**	1,868
Non-current		
Loans and borrowings	**828**	653

Financial risk management

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

a) Market risk

Foreign exchange risk

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

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

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

	2020		2019	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
US dollars	**285**	**428**	214	446
Euros	**101**	**496**	191	477
	386	**924**	405	923

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 ±£14,000 (2019: ±£60,000).

Interest rate risk

At the year end, the Group's borrowings were made up of a term loan. During the year, loan notes of £633,000 were repaid on 15 May 2019. The term loan attracted variable interest rates and the Group did 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 £12,000 (2019: £10,000). A 1.0% increase in the interest rate would, on the same basis, have increased the post-tax loss by the same amount.

22. Financial instruments continued

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 £2,039,000 (2019: £1,697,000).

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:

2020	Within one year £'000	One to two years £'000	Two to five years £'000	Over five years £'000
Borrowings	**388**	**828**	**—**	**—**
Trade payables	**547**	**—**	**—**	**—**

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	—	—	—

Capital risk management

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

The Group will also seek to minimise the cost of capital and attempt to optimise the capital structure, which currently means maintaining equity funding and keeping debt to a manageable level. Share capital and premium together amount to £13,742,000 (see page 41).

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

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

23. Share-based payment transactions

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	—
Total number in scheme	14,865,185
Contractual life	10 years
Number of employees in scheme	14
Vesting conditions	Vest on grant/vest over 2–3 years

	2020	Weighted average exercise price	2019	Weighted average exercise price
Outstanding at start of year	**16,882,963**	**6.53p**	17,357,189	6.49p
Granted	**—**	**—**	1,379,310	7.25p
Exercised	**(240,000)**	**0.5p**	—	—
Forfeited/cancelled	**(1,777,778)**	**5.63p**	(1,853,536)	6.74p
Outstanding at end of year	**14,865,185**	**6.73p**	16,882,963	6.53p

23. Share-based payment transactions continued

Enterprise Management Incentive Scheme – number of stock options continued

During the year, an expense of £69,000 (2019: £125,000) was recognised in relation to the scheme, based on the Black Scholes option pricing model.

£57,000 (2019: £95,000) was charged to the Company; the balance of £13,000 (2019: £30,000) was charged to the subsidiaries where the employees are employed.

Warrants

The Company's broker, Cenkos Securities plc, was granted warrants over 11,287,804 ordinary shares in the Company as part-payment for its services during a fundraising and acquisition in April 2017. The warrants 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.

24. Effects of changes in accounting policies

The Group adopted IFRS 16 and IFRIC 23 with a transition date of 1 May 2019. The Group has chosen not to restate comparatives on adoption of both standards and, therefore, the revised requirements are not reflected in the prior year financial statements. Rather, these changes have been processed at the date of initial application (i.e. 1 May 2019) and recognised in the opening equity balances. Details of the impact these two standards have had are given below. Other new and amended standards and interpretations issued by the IASB did not impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

IFRS 16 Leases

Effective 1 May 2019, IFRS 16 has replaced IAS 17 Leases and IFRIC 4 Determining whether an arrangement contains a lease.

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is twelve months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. The Group does not have leasing activities acting as a lessor.

Transition method and practical expedients utilised

The Group adopted IFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on the date of initial application (1 May 2019), without restatement of comparative figures. The Group elected to apply the practical expedient to not reassess whether a contract is, or contains, a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. The definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 May 2019.

IFRS 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The Group applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

(a) apply a single discount rate to leases with reasonably similar characteristics;

(b) exclude initial direct costs from the measurement of right-of-use assets at the date of initial application for leases where the right-of-use asset was determined as if IFRS 16 had been applied since the commencement date; and

(c) reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under IAS 36 as at the date of initial application.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases. However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of twelve months or less.

Classification under IAS 17:	All non-investment property operating leases.
Right-of-use assets:	Office space: right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued payments.
Lease liabilities:	Measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at 1 May 2019. The Group's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted average rate applied was 5%. No adjustment has been made to the lease liability balance as the value of the adjustment is not material.

24. Effects of changes in accounting policies continued

IFRS 16 Leases continued

Transition method and practical expedients utilised continued

The following table presents the impact of adopting IFRS 16 on the balance sheet as at 1 May 2019:

	30 April 2019 £'000	IFRS 16 adoption £'000	1 May 2019 £'000
Assets:			
Right-of-use assets	—	92	92
Liabilities:			
Lease liabilities	—	92	92

The following table reconciles the minimum lease commitments disclosed in the Group's 30 April 2019 annual financial statements to the amount of lease liabilities recognised on 1 May 2019:

	£'000
Minimum operating lease commitment at 30 April 2019	102
Restatement of liability at 30 April 2019	(10)
Lease liability at 1 May 2019	92

IFRIC 23 Uncertainty over income tax treatments

IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The interpretation requires:

- the Group to determine whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution;
- the Group to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and
- if it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty. This measurement is required to be based on the assumption that each of the tax authorities will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations.

There is no effect on the financial statements from the adoption of IFRIC 23.

25. Post balance sheet event

Since the balance sheet date COVID-19 has continued to spread across the globe. Details on the risks involved are included in the Chief Executive's Review and the Principal Risks and Uncertainties report.

In May 2020, the Company raised £6.8 million (net of expenses) from new and existing investors. Further details are given in note 18 and the Chief Financial Officer's Report.

as at 30 April 2020

Registered number: 08882249

	Note	30 April 2020 £'000	30 April 2019 £'000
Fixed assets			
Investments	E	**9,453**	9,762
		9,453	9,762
Current assets			
Debtors	F	**95**	4,767
Cash at bank and in hand	G	**35**	757
		130	5,524
Total assets		**9,583**	15,286
Liabilities			
Non-current liabilities			
Financial liabilities – borrowings	I	**(828)**	(653)
		(828)	(653)
Current liabilities			
Creditors: amounts falling due within one year	H	**(197)**	(88)
Financial liabilities – borrowings	I	**(388)**	(301)
Total liabilities		**(585)**	(1,042)
Net assets		**8,170**	14,244
Capital and reserves			
Called up share capital	J	**965**	963
Share premium account	K	**12,777**	12,777
Share-based payment reserve	K	**470**	515
Profit and loss account	K	**(6,042)**	(11)
Total shareholders' funds		**8,170**	14,244

The loss of the Company for the year ended 30 April 2020 was £6,145,000 (2019 profit: £27,000).

The notes on pages 65 to 69 form part of these financial statements.

The financial statements were approved by the Board of Directors on 21 September 2020 and were signed on its behalf by:

Roger Bullen
Chief Executive Officer
21 September 2020

	Note	Called up share capital £'000	Share-based payment reserve £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 May 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
Balance at 1 May 2019		963	515	12,777	(11)	14,244
Issue of share capital	J	2	—	—	—	2
Share-based payment transaction		—	(45)	—	114	69
Profit and total comprehensive income for the year		—	—	—	(6,145)	(6,145)
Balance at 30 April 2020		**965**	**470**	**12,777**	**(6,042)**	**(8,170)**

The notes on pages 65 to 69 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 Company's principal activity is the provision of management services.

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

B. Accounting policies

Basis of preparation

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

Disclosure exemptions adopted

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

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

Going concern

The Company financial statements have been prepared on a going concern basis in accordance with the basis of preparing the Group financial statements on a going concern basis.

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 loss of £5,927,000 (2019 profit: £27,000).

D. Employees and Directors

Remuneration costs have been recharged to Rosslyn Analytics Limited.

E. Investments

	Shares in subsidiary £'000
Cost	
At 1 May 2019	9,762
At 30 April 2020	**9,762**
Depreciation and impairment	
At 1 May 2019	—
Impairment loss	309
At 30 April 2020	**309**
Net book value	
At 30 April 2020	**9,453**
At 30 April 2019	9,762

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

Principal subsidiary undertakings of the Company

The Company owns directly the whole of the issued and fully paid ordinary share capital of its subsidiary undertaking. The principal undertakings of the Company at 30 April 2020 are presented below:

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

F. Trade and other receivables

	2020 £'000	2019 £'000
Amounts owed by Group undertakings	**—**	4,753
Prepayments	**95**	14
	95	4,767

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

All financial assets are measured at amortised cost.

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

G. Cash at bank and in hand

	2020 £'000	2019 £'000
Cash at bank	**35**	757

H. Trade and other payables

	2020 £'000	2019 £'000
Trade creditors	**28**	41
Accruals	**156**	38
Social security and other taxes	**13**	9
	197	88

All financial liabilities are measured at amortised cost.

I. Borrowings

	2020 £'000	2019 £'000
Non-current		
Secured loans	**828**	653
	828	653
Current		
Secured loans	**388**	301
	388	301

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

				2020		2019	
	Currency	Nominal interest rate	Year of maturity	Face value £'000	Carrying value £'000	Face value £'000	Carrying value £'000
Secured loan	GBP	7.85%	2022	**1,227**	**1,216**	1,000	954
Total interest-bearing liabilities				**1,227**	**1,216**	1,000	954

Details of the payment profile are included in note 22 of the Group financial statements.

J. Called up share capital

Allotted, issued and fully paid

Number	Class	Nominal value	2020 £'000	2019 £'000
2020: 192,915,521 (2019: 192,675,521)	Ordinary shares	£0.005 (2019: £0.005)	**965**	963

During the year, 240,000 fully paid ordinary shares of £0.005 each were allotted at £0.005 per share on 17 June 2019. In the prior year, there were 4,545,454 fully paid ordinary shares allotted of £0.005 each at £0.055 per share.

On 28 May 2020, the Company issued 146,000,000 fully paid ordinary shares of £0.005 at £0.050 per share, bringing the total number of fully paid ordinary shares in issue to 338,915,521.

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 2020.

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	—
Total number in scheme	14,865,185
Contractual life	10 years
Number of employees in scheme	14
Vesting conditions	Vest on grant/vest over 2–3 years

	2020	Weighted average exercise price	2019	Weighted average exercise price
Outstanding at start of year	**16,882,963**	**6.53p**	17,357,189	6.49p
Granted	**—**	**—**	1,379,310	7.25p
Exercised	**(240,000)**	**0.50p**	—	—
Forfeited/cancelled	**(1,777,778)**	**5.63p**	(1,853,536)	6.74p
Outstanding at end of year	**14,865,185**	**6.73p**	16,882,963	6.53p

During the year, an expense of £57,000 (2019: £95,000) was recognised in relation to the scheme, based on the Black Scholes option pricing model.

Warrants

The Company's broker, Cenkos Securities plc, was granted warrants over 11,287,804 ordinary shares in the Company as part-payment for its services during a fundraising and acquisition in April 2017. The warrants 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 pie (the "Company") that in light of the current UK Government measures and the Company's desire to protect the health and safety of shareholders and employees, the AGM this year will be run as a virtual meeting.

The AGM will be broadcast live on https://www.rosslyndatatech.com/investors/2020agm on 29 October 2020 at 11.30am, and will be available thereafter for viewing.

A form of proxy for the 2020 AGM does not accompany this Document. Instead, if you would like to vote on the Resolutions please see the Note 5 of the Notice.

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 2020.
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 Paul Watts, who retires as a Director having been appointed since the last AGM, as a Director of the Company.
5. To re-elect Hugh Cox, who retires as a Director by rotation, as a Director of the Company.
6. To re-elect Barney Quinn, 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 £129,799 (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 £84,728 (in addition to the authority conferred in subparagraph 7.1 above) for the grant or award of further share options or war rants but for no other purpose; and

   7.3 up to an aggregate nominal value of £169,457 (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 t hat 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
21 September 2020

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 on 29 October 2020 at 11.30am. 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 2020 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, 5 and 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, Resolution 4 is to re-elect Paul Watts to the Board. The Company's Articles of Association also require one-third of Directors to retire by rotation. Accordingly, Hugh Cox and Barney Quinn are retiring and, being eligible, offer themselves for re-election. Biographical details of each Director can be found within the annual report for the year ended 30 April 2020. 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 £84,728, approximately 5% of the Company's issued share capital. Resolution 7.3 permits Directors to allot shares up to an aggregate nominal value of £169,457, 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)

Members are invited to submit questions before the meeting to investors@rosslyndatatech.com and a representative selection of these questions will be addressed in the meeting. 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

Notice of Meeting Notes

The following notes explain your general rights as a shareholder and your right to attend and vote at this Meeting or to appoint someone else to vote on your behalf.

1. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of trading on 27 October 2020. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
2. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company.
3. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
4. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
5. You can vote either:
   a. by logging on to www.signalshares.com and following the instructions; or
   b. you may request a hard copy form of proxy directly from the registrars, Link Asset Services (previously called Capita), on Tel: 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00–17:30, Monday to Friday excluding public holidays in England and Wales; or
   c. 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 4ZF by 11:30am on 27 October 2020.
6. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
7. The return of a completed form of proxy, electronic filing or any CREST Proxy Instruction (as described in note 11 below) will not prevent a shareholder from attending the Meeting and voting in person if he/she wishes to do so.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com/site/public/EUI). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. 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 issuer's agent (ID RA10) by 11:30am on 27 October 2020. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. 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(s), to procure that his CREST sponsor or voting service provider(s) take(s)) 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 sponsors or voting system providers 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.
11. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.
12. Total voting rights as at 21 September 2020 in the issued share capital of the Company consist of 338,915,521 ordinary shares of £0.005 each, carrying one vote each. Therefore, the total number of voting rights of the Company as at 21 September 2020 is 338,915.

Further notes continued

Notice of Meeting Notes continued

13. Under Section 527 of the Companies Act 2006, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's financial statements (including the Auditor's Report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with Section 437 of the Companies Act 2006 (in each case) that the shareholders propose to raise at the relevant meeting. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting for the relevant financial year includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.
14. Any shareholder attending the Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.
15. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.
16. A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website at www.rosslyndatatech.com/investors

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 2020

AGM

In light of the current UK Government measures and the Company's desire to protect the health and safety of shareholders and employees, the AGM this year will be run as a virtual meeting. The AGM will be broadcast live on https://www.rosslyndatatech.com/investors/2020agm on 29 October 2020 at 11.30am, and will be available thereafter for viewing.

Registered in

England and Wales

Company number

08882249

EPIC/TIDM

RDT

ISIN

GB00BKKX5CP01

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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

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London EC2R 7AS

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Rosslyn Data Technologies plc's commitment to environmental issues is reflected in this Annual Report, which has been printed on Galerie Art Silk, an FSC® certified material. This document was printed by Geoff Neal Group using its environmental print technology, with 99% of dry waste diverted from landfill, minimising the impact of printing on the environment.

Produced by
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