Triad

TRIAD GROUP PLC

Annual Report and Accounts 20212022

Financial Highlights:

REVENUE FOR THE YEAR ENDED 31 March 2022: **£17.0m**	2021: **£17.8m**
GROSS PROFIT 31 MARCH 2022: **£4.8m**	2021: **£3.8m**
GROSS PROFIT AS A PERCENTAGE OF REVENUE 31 MARCH 2022: **28.1%**	2021: **21.4%**
PROFIT BEFORE TAX 31 MARCH 2022: **£1.1m**	2021: **£0.6m**
PROFIT AFTER TAX 31 MARCH 2022: **£1.2m**	2021: **£0.7m**
CASH RESERVES 31 MARCH 2022: **£5.3m**	2021: **£4.9m**

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Financial highlights

	Year ended 31 March 2022	Year ended 31 March 2021	Difference
Revenue	**£17.0m**	£17.8m	-£0.8m
Gross Profit	**£4.8m**	£3.8m	+£1.0m
Gross Profit %	**28.1%**	21.4%	+6.7%
Profit before tax	**£1.1m**	£0.6m	+£0.5m
Profit after tax	**£1.2m**	£0.7m	+£0.5m
Cash reserves	**£5.3m**	£4.9m	+£0.4m
Basic earnings per share	**7.16p**	4.28p	+2.88p
Final dividend – proposed	**4p**	2p	+2p

Chairman's statement

Dr John Rigg

Financial headlines

For the year ended 31 March 2022 the Group reports revenue of £17.0m (2021: £17.8m). The gross profit as a percentage of revenue has increased to 28.1% (2021: 21.4%) and profit before tax was £1.1m (2021: £0.6m). Profit after tax was £1.2m (2021: £0.7m) as a result of positive movements in the deferred tax asset (see page 12). Cash reserves have increased to £5.3m (2021: £4.9m). The effects of the Covid-19 pandemic upon both financial results in 2022 and current trading are set out on pages 6 and 14.

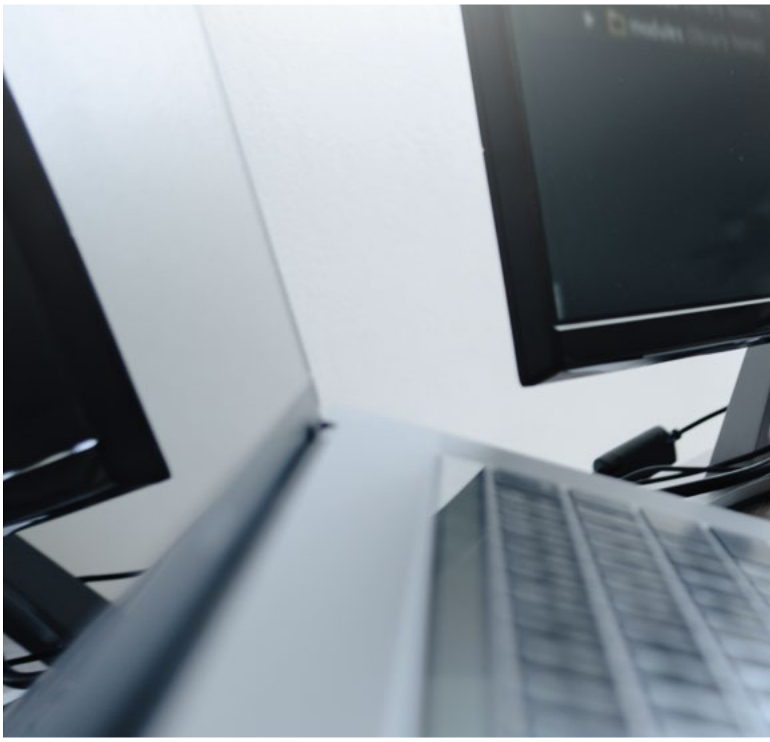
Gross profit increased by £1.0m during the year due to the ongoing increase of consultancy revenues as a proportion of total revenue, serviced by permanent fee earning consultants. Total revenue in the year reduced by a net £0.8m. Gross profit as a percentage of revenue has increased significantly to 28.1% (2021: 21.4%) as a result of the expansion of higher-margin consultancy services. Cash has increased by £0.4m during the year to £5.3m (2021: £4.9m), which reflects the translation of profits, less dividends, to cash.

Overview of results

I am very pleased to report another impressive set of results, building on the strong position created in the previous year. The Group continued to deliver outstanding service to our clients despite the ongoing challenge of Covid-19 and the restrictions associated with the pandemic. Most of our staff continued to work from home during the period, without compromising on either quality or productivity.

During the year, I was also very pleased to see the progress made in recruiting more permanent fee-earning consultants. This recruitment is a cornerstone of the strategy to reinforce our credentials as a pre-eminent consultancy and to move away from the transactional business of IT recruitment. The Group has largely completed during the year the transition to a pure consultancy and in so doing has laid important foundations for the future. Indeed, the improvements in gross profit and gross margin during the year are already testament to the benefits of the strategy. Further operational changes to underpin our consultancy ethos included the successful elimination of all sales commission schemes in favour of a salary-only remuneration scheme, implemented without losing any staff in the process.

Using the Group's internal team for the significant majority of our recruitment during the year, the Group's headcount increased by 37 from 81 to 118 at year end, with all of the new recruits being fee-earning consultants. Despite the significant increase in headcount, utilisation levels as a percentage of available time improved during the year. Much of this consultant utilisation went into delivering services at key accounts including the Ministry of Justice, Department for Business, Energy and Industrial Strategy, Westcoast Holdings Ltd, and Department for Transport. I am very proud to know that our clients are trusting us with mission-critical projects, many of which are making a profound impact not only on the



client organisations themselves but on the wider society in areas such as criminal justice and carbon emissions.

I was also extremely proud to see the Group's successful application to join the new Digital Specialists and Programmes framework towards the end of the year, making the Group one of only 27 organisations across the UK to hold a place on both lots of this important route into Government digital services.

Outlook

Following a significant year of transition, the Group is looking forward to building on the foundations laid. The new year has started with good utilisation levels that are planned to improve significantly across the period. Headcount is planned to increase to meet expected demand.

The Group will continue to work with clients in need of expert teams of consultants capable of providing technology-based services and products to solve their business problems. Whilst competition remains fierce, we remain confident in our ability to command fees commensurate with the value we are creating for our clients. We will continue to leverage our expertise in Central Government and Law Enforcement to deepen our presence in these sectors whilst also expanding our footprint in the private sector, particularly in businesses who need to be liberated from the grip of their legacy systems.

The Group remains debt free except for lease liabilities reported due to the application of IFRS 16 and enjoys strong reserves of cash.

Although the national economy as a whole is currently looking at testing times ahead, I am confident that the Group has been carefully engineered through cash control, quality recruitment, customer selection and management cohesiveness to demonstrate its robustness and resilience. I look forward to the future with great enthusiasm.

Dividend

Recognising the strength of this year's performance and the Group's confidence in the near future, the Board proposes a final dividend of 4p per share (2021: 2p per share), which together with the interim dividend already paid of 2p (2021: nil), totals 6p per share for the financial year (2021: 2p per share).

Employees

On behalf of the Board of Directors, I would like to thank all of the staff for their commitment and contribution during a very challenging year.

John Rigg
Executive Chairman
25 May 2022

Strategic report

Managing Director's statement

Adrian Leer

Profit in the year increased to £1.1m representing significant progress with the strategy to concentrate the Group's efforts on its consultancy offering, serviced by permanent fee earning consultants. This was underscored by improvements in gross margin percentage, up to 28.1% from 21.4% in the previous year. Revenue declined by £0.8m to £17.0m due to the reduction of lower-margin contractor assignments. Indeed, consulting revenue increased by 70% versus previous year. Cash reserves increased by £0.4m to £5.3m. The Group experienced no trading bad debts and had no external funding requirements.

Business commentary

The Group's profit reflects the hard work of our expanding team as we continue on our journey to become one of the UK's favourite technology consultancies. Our consultant headcount increased by 37, all of whom were sourced via our internal team and colleague referrals. Many of these new recruits helped to fulfil demand on key services, including Ministry of Justice, Department for BEIS, and Department for Transport.

Our services continued to be provided on a predominantly remote basis due to the restrictions of the pandemic. A benefit of the now-established remote working model has been our ability to attract staff from areas across the UK, including Cardiff, Aberdeen and Bristol. Our virtual on-boarding process has been hailed by staff as best-in-class and reflects our determination to offer something different to consultants joining the business.

The majority of our work centred around significant engagements with existing clients, some of which were at the early stages of development at the beginning of the year.

At Ministry of Justice, we have been increasing the size of our project management and PMO team to cope with the delivery of 30+ projects during the year. Our consultants have been involved in successful delivery across a broad spectrum of projects including work on the Nightingale courts, prison estate expansion, and youth education services. Elsewhere at MOJ, our business analysis service continued to provide a core capability to the Crime programme as the Common Platform rolled out across the courts of England and Wales. In June, we completed the transition of the PSD service on the Crime programme to the new service provider marking a successful multi-year engagement where Triad teams established the operations capability for this critical platform.

During the year, we also grew the number of consultants supporting a variety of initiatives at Department for Business, Energy and Industrial Strategy. Projects included significant Microsoft SharePoint migration activity, various software delivery projects, and the roll-out of communication facilities across wide swathes of this significant Government organisation.

At Department for Transport, our team is developing a system to help fuel suppliers manage their renewable fuel obligations. This project epitomises Triad's expert approach to making robust digital services that help Government enact and implement legislation in the shape of modern, maintainable solutions. Indeed, we were delighted to have our work with DfT short-listed at the BCS/UK IT Industry awards for the "best public sector project".

The multi-year association with our policing client continued throughout the period, allowing us to provide expert technical capability and delivery management capacity to help modernise the systems being used to support front-line law enforcement.

Within the private sector, highlights included the complex software and platform engineering work we undertook for Westcoast Holdings Ltd, helping one of the UK's biggest technology distributors to avail themselves of best practice around the introduction of automated delivery pipelines within a very demanding operational environment. At Renewable Energy Systems we played a key role in helping them successfully complete the on-time sale of their French operation, now known as Q-Energy and the latest client to join the Triad fold. Our long-running association with leading law firm Foot Anstey continued, and during the period we provided continuing strategic advice to the office of the Chief Technology Officer and some advanced innovation around the use of data lakes within a legal practice.

In the non-profit sector, we have been working with Marine Stewardship Council to develop a highly functional prototype for their fishery assessment process. This drew heavily on our user research and user experience practice, who have been very active during the year highlighting across multiple channels the importance of UR/UX in good digital services.

Our work has been recognised through a number of client nominations, short-listing in national and regional competitions, and through partner accreditations. We were delighted to win the Tech Company of the Year award at the Global Business Tech Awards. One of the few UK consultancies with seven Microsoft Gold competencies, we are also one of only a handful of Workpoint partners in the UK. We have been continuing to explore the application of blockchain as a technology with our partner Stratis, and sponsored their hackathon event to encourage teams to develop innovative ways of exploiting the technology.

Strategic report

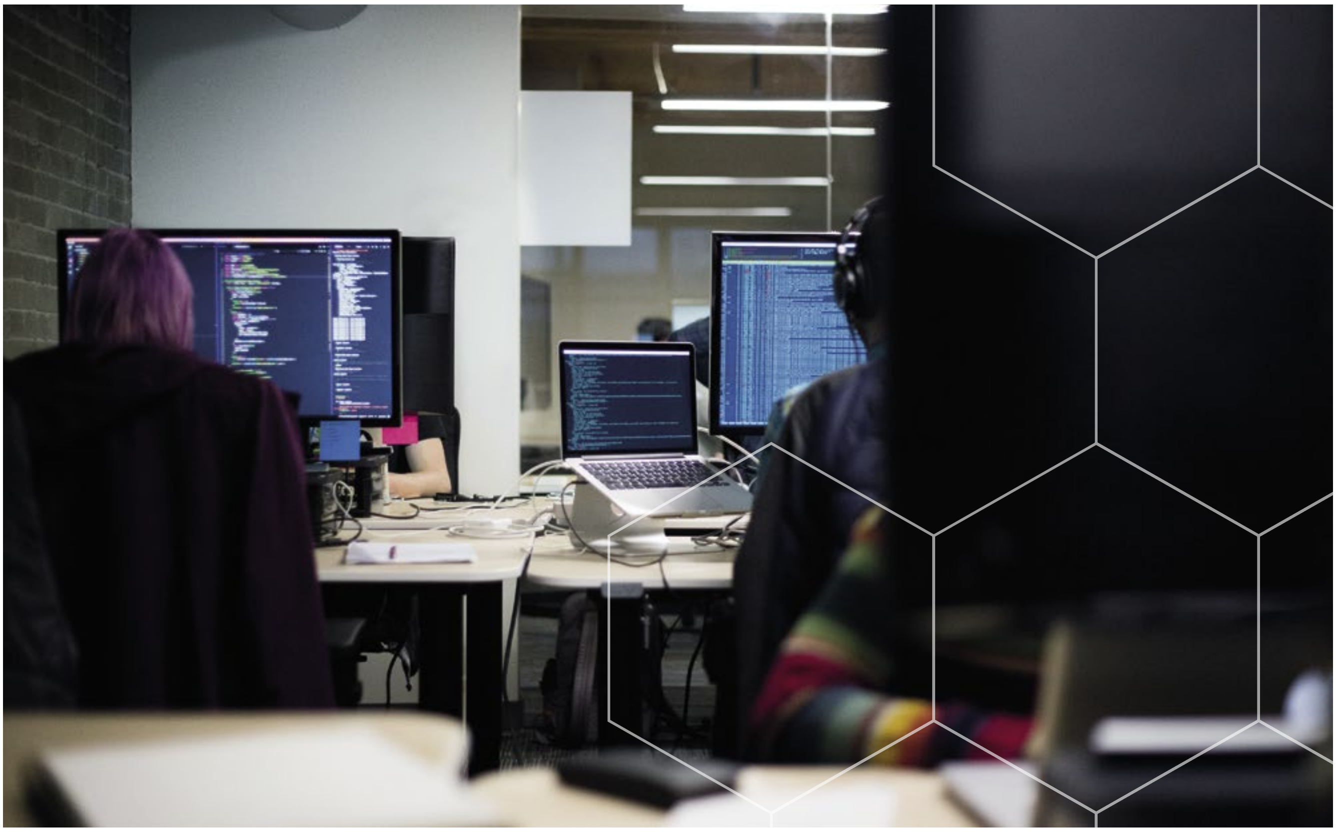
During the year we gained places on two significant Government frameworks: Technology Services 3 (TS3), and Digital Specialists and Programmes (DSP). On the latter, we were one of only 27 companies in the UK to qualify for both lots – an achievement of which we are justifiably proud. As part of our strategic focus to expand our law enforcement footprint, we also successfully applied to join the Home Office ACE framework and the Fortrus framework. Further, our Managing Consultant is now a member of the TechUK Digital Justice Working Group, helping to influence industry thinking within this important domain.

Social value is rightly an increasing concern of Government and features prominently in its procurement exercises. Triad has been active in this field, being a founder member of the Social Value Leadership Team facilitated by the Worshipful Company of Information Technologists. Our own social value efforts have focused on helping people to find jobs whether through our University challenge event or our emphasis on helping people with disabilities to consider a career in technology. We also encouraged staff to participate in fund-raising activities for our chosen charity, Action for Children, with a number of colleagues participating in the national "Boycott your Bed" campaign.

Many of our colleagues have contributed their thinking to industry via forums such as Digital Leaders, with presentations on test automation, user experience and wellbeing in the workplace being among the highlights.

This combination of hard work, outstanding customer service and a passion for the profession encapsulates neatly the essence of Triad consultants and I would like to extend my thanks to all of them and their support teams for playing such an important part in delivering the success of the last year.

Adrian Leer
Managing Director
25 May 2022



Strategic report

Organisation overview

Triad Group Plc is engaged in the provision of information technology consultants to deliver technology-enabled business change to organisations in the public sector, private sector, and not-for-profit sector.

Business model

The Group provides a range of consultancy services to clients to help them deliver a tangible return on their investment in technology. Our primary engagement model is to deliver these services via our permanent consultants, sometimes augmented by carefully selected associates. We rely upon our in-house resourcing team to provide both permanent and associate staff, ensuring that we maintain tight control of our supply chain and quality at all times.

Our services span the delivery life cycle from high level consulting, early strategy, programme management, project delivery, software delivery, and support activities.

The Group operates mainly in the United Kingdom. Our workforce is increasingly distributed across the UK too, and we have permanent office space in Godalming (registered office) and Milton Keynes.

Principal objectives

The principal objectives of the Group are to;

- Provide clients with industry leading service in our core skills.
- Achieve sustainable profitable growth across the business and increase long term shareholder value.

The key elements of our strategy to achieve our objectives are;

To provide a range of specialist services relevant to our clients' business

- Our services include consultancy, change leadership, project delivery, software development and business insights. Further capacity and expertise may be provided via our associate network.
- We continue to adopt a "business first, technology second" approach to solving our clients' problems. A cornerstone of our service offer is our consultancy model, offering advice and guidance to clients in terms of technology investments.

To develop long term client relationships across a broad client base

- Enduring client relationships fuel profitability. A hallmark of our recent trading has been the frequency of repeat business, which itself has been a function of outstanding delivery and proactive business development within existing accounts.
- Our consistent track record in this regard is our major asset when developing propositions for new clients, along with the use of case studies and references.
- We have structured our service offering to enable clients to engage early, thus enabling the building of trust and confidence from the outset.

To work with partners

- Our strategy includes working with carefully chosen partners operating under their client frameworks in addition to the frameworks on which Triad is listed. This will expose more opportunities whilst reducing the cost of sale.

To leverage group capability and efficiency to increase profitability

- We continue to develop synergies across the Group's activities both externally and internally, driving better outcomes for clients whilst improving efficiency and effectiveness. The management team sets objectives to ensure that these synergies are exploited.
- We enable our clients to benefit from access to a full range of IT services, delivered through a single, easy to access, point of sale.
- We will continue to provide the highest quality of service to our customers through our teams of skilled consultants and market experts.

Principal risks and uncertainties

The Group's business involves risks and uncertainties, which the Board systematically manages through its planning and governance processes.

The Board has conducted a robust assessment of the principal risks facing the Group, examining the Group's operating environment, scanning for potential risks to the health and wellbeing of the organisation. The Directors factor into the business plan the likelihood and magnitude of risk in determining the achievability of the operational objectives. Where feasible, preventive and mitigating actions are developed for all principal risks.

Senior management review the risk register and track the status of these risk factors on an on-going basis, identifying any emerging risks as they appear. Regular meetings are held between the Executive Chairman and the Managing Director to ensure risks are identified and communicated.

The outputs of this management review form part of the Board's governance process, reviewed at regular Board meetings. When emerging risks arise, these are reviewed by senior management on an immediate basis and communicated to the Board as appropriate.

Strategic report

The principal risks identified are:

Covid-19

The business was proven to be agile and robust through the pandemic. The main risks that may potentially occur, are a reduction in new business pipeline opportunities, payment delays and the recovery of debtor balances. These risks were met head-on during the crisis, and the same mitigating actions taken during this period are still consistently applied – the requirement to service clients remotely and effectively, a very strong focus on short-term forecasting, and maintaining and improving cash collection. The pandemic generated a new world of work, with a greater emphasis on flexible working. Employee engagement is key to mitigating the risks presented in this new marketplace, with a continuous review of flexible working patterns, remuneration and benefits remain critical.

IT services market

The demand for IT services is affected by UK market conditions. This includes, for example, fluctuations in political and economic uncertainty, and the level of public sector spending. Negative impacts can reduce revenue growth and maintenance due to the loss of key clients, reduction in sales pipelines and reduction in current services. The creation of new services, acquisition of new clients and the development of new commercial vehicles is important in protecting the Group from fluctuations in market conditions.

Economy

The political and economic uncertainty generated by Brexit still has the potential negatively to affect the Group's marketplace due to an impact on Government spending plans and the cancellation or delay of IT projects. The strong relationships the Group enjoys with a large range of public sector clients within the UK mitigated this risk during the year. During and following the Brexit transition, the Group continued to build strong trading partnerships with EU based companies. Due to the current lack of restrictions of trading digital services within the EU, the Directors do not foresee this changing in the future.

Due to the nature of the Group's client base and activities in the UK, the current conflict in Ukraine is not considered to have a direct impact, however there may be a secondary effect as a result of the impact on the wider economy. The Directors have not seen any impact to date but will continue to monitor this closely.

Inflationary pressures in the UK manifest mainly in attraction and retention of staff and the Group's response to this risk is outlined within the *availability of staff* below.

Revenue visibility

The pipeline of contracted orders for time and materials consultancy work can be relatively short and this reduces visibility on long-term revenue generation. The Board carefully reviews forecasts to assess the level of risk arising from business that is forecast to be won.

Availability of staff

In an extremely difficult market for talent acquisition, the ability to access appropriately skilled resources, recruit and retain the best quality staff are key to ensuring the ability to deliver profitable growth and deliver IT services to our clients. This situation is exacerbated by existing and long-term outlook upon salary and general inflation increases. The Group continues to recruit the best quality individuals and ensures a resilient network of associate resources is scaled appropriately to meet the demands of the business. To mitigate these risks, the Group reviews remuneration and benefits on an annual basis and adjusts these accordingly within market rates. In addition, the Group operates a Company-wide staff development programme to ensure continuous personal growth and consistent staff engagement. The on-boarding of new consultants is managed by a highly experienced and dedicated team of resourcing professionals, and this provides quality assurance processes to accelerate hiring and reduce attrition.

Competition

The Group operates in a highly competitive environment. The markets in which the Group operates are continually monitored to respond effectively to emerging opportunities and threats. The Group ensures a high quality of service to long-tenured clients, which includes continuous review of delivery against project plan and obtaining client feedback. This promotes longevity of client relationships and to a high degree mitigates the risk of competition.

There are or may be other risks and uncertainties faced by the Group that the Directors currently deem immaterial, or of which they are unaware, that may have a material adverse impact on the Group.

The risk appetite of the Group is considered in light of the principal risks and their impact on the ability to meet its strategic objectives. The Board regularly reviews the risk appetite which is set to balance opportunities for business development and growth in areas of potentially higher risk, whilst maintaining reputation, regulatory compliance, and high levels of customer satisfaction.

Section 172 statement

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of key stakeholders in the Group in their decision making. Engagement with the Group's stakeholders is essential to successfully managing the business and the effectiveness of this engagement helps to understand the impact of key decisions on stakeholders.

Strategic report

The Board has identified the key stakeholders as shareholders, clients, partners, employees and suppliers.

- Shareholders: Shareholders play a significant part in deciding the direction of the business. Dialogue is maintained with shareholders and their advisors and issues of significance are communicated to shareholders as necessary. In addition, a full shareholder briefing is presented at the Group's annual general meeting of shareholders. The Board awarded an interim dividend of 2p per share (2021: nil per share) to shareholders as the result of careful review of forecasted profitability and cash flow. The Board has proposed a final dividend of 4p per share for the year ended 31 March 2022 due to the recent trading performance and expected cash flows (2021: 2p per share).
- Clients: Delivering a quality service is the key to the Group's future success, and effective and successful delivery of services to our clients is the key focus of the Group. To increase effectiveness, a constant review of utilisation rates and delivery structures has been undertaken to enhance the efficiency of the Group's service to clients. Key account delivery and management tools have also been reviewed and enhanced to promote efficiencies. The Group continues with the strategy of building permanent consultant numbers to improve and broaden the skill sets and enhance delivery to clients, and utilise contractors on a limited basis.
- Partners: Effective working relationships that enable future growth are important to the Group. The Group continue to cultivate strong relationships with our business partners, with regular dialogue and updates to ensure that delivery to our shared clients is as effective as possible. During the financial year, the Group continued to explore delivery methods with partners that enable the acquisition of new business, including the successful partnership with Workpoint to deliver licensing and consultancy.
- Employees: Motivated and satisfied employees are the lifeblood of our business and our people are key to our success. The Group strives to achieve the highest standards in its dealings with all employees. During the financial year, the Group continued its high level of communication with employees, with regular Group meetings chaired by the Managing Director, who also held one-to-one meeting with employees as requested. The Group continued to provide appropriate comprehensive induction and ongoing training tailored to individual needs. Extensive employee benefits are provided which are continually reviewed to enhance the wellbeing of all employees. Remuneration packages are reviewed on an annual basis to ensure retention of employees, as are flexible working environments. During the financial year, the Board awarded a number of employees restricted stock units (RSUs) under the new Triad Employee Share Incentive Plan. See page 29 for details.
- Suppliers: Effective engagement with suppliers enables the Group to deliver a quality service to our clients. The Group maintains appropriate arms-length trading relationships with quality suppliers and is fully committed to fairness in its dealing with them, including embracing the principle of paying suppliers within agreed credit terms during the course of normal business. The Group formed closer relationships with suppliers during the Covid-19 pandemic to ensure a continuance of a quality service.

The Directors continue to ensure there is full regard to the long-term interests of both the Group and its key stakeholders including the impact of its activities on the community, the environment and the Group's reputation. In doing this, the Directors continue to act fairly and in good faith taking into account what is most likely to promote the long-term success of the Group.

- Relations with key stakeholders such as shareholders, employees, and suppliers are maintained by regular, open and honest communication in both verbal and written form.
- The Directors are fully aware of their responsibilities to promote the success of the Group in accordance with section 172 of the Companies Act 2006.
- The Directors continuously take into account the interests of its principal stakeholders and how they are engaged. This is achieved through information provided by management and also by ongoing direct engagement with the stakeholders themselves.
- The Board has ensured an appropriate business structure is in place to ensure open and effective engagement with the workforce via the Executive Directors and the senior management team.
- The Board and the senior team continues to work responsibly with all relevant stakeholders and has appropriate anti-corruption and anti-bribery, equal opportunities and whistleblowing procedures and policies in place.
- As required, non-Executive Directors, professional advisors and the Company Secretary provide support to the Board to help ensure that sufficient consideration is given to stakeholder issues..

Viability Statement

In accordance with the Listing Rules the Directors have assessed the Company's viability over the next three financial years. Given the Group's business model and commercial and financial exposures the Directors consider that three years is an appropriate period for the assessment. The maximum period of visibility of commercial arrangements with clients is currently two years, however in considering the assessment period assumptions have been made beyond this immediate timeframe based upon the strategic direction of the business. As part of the long-term viability assessment the Directors have considered the principal risks.

This assessment of viability has been made with reference to the Group's current financial and operational positions. Revenue projections, cash flows, availability of required finance, commercial opportunities and threats, and the Group's experience in managing adverse conditions in the past have been reviewed. The Group was founded in 1988 and has survived several recessions.

Despite the potentially negative and severe effect of the Covid-19 pandemic presented in 2020 and into 2022, the Group was able to successfully navigate the issues presented by the disruptions. For the year ended 31 March 2022, all key ratios and profitability improved, and cash reserves increased without the requirement for any external funding or needing to take advantage of Government support schemes. This success was due to the agility of the business model, client delivery techniques and the quality of our employees and hiring processes.

The effects of IR35 have been minimal as the Group has continued to reduce contracting fee earners in favour of higher margin permanent employees and the risk in this area is not considered to be material.

As of the date of these accounts, Brexit has had no impact upon the current client base and there have been no direct impacts felt by the business. In fact, greater dialogue has commenced with potential EU and European trading partners and this is expected to continue.

Despite the recent successful trading position, risks still exist with respect to the Covid-19 pandemic and the threat from competition. The Directors have therefore approached the budget and forecasting cycle for the 2023 financial year with a conservative outlook.

The viability assessment considered the principal risks as set out on page 6. The Board modelled a number of realistic scenarios based upon conservative budgets and forecasts. This included modelling the most severe scenario possible which assumed that all current client contracts discontinued at expiry, with no extension or replacement and with no further cost mitigation. The group have extended at a high level these forecasts to 3 years for the purposes of considering viability.

In all scenarios, it was found that there was sufficient headroom in cash flow to continue operating within current resources for the next 18 months, and without the requirement to utilise the available financing facility as detailed in note 3 or obtain further external funding. The Group was therefore found to have sufficient financial strength to withstand further disruption due to the pandemic.

The Board believes that the Group remains well placed to navigate effectively a prolonged period of uncertainty and to mitigate the risks presented by it.

Based upon the results of this analysis, the Board has a reasonable expectation that the Group will be able to continue in operation and be able to meet its liabilities over the next 3-year viability period. In reaching this assessment, the Board has taken into account future trading, access to external funding and cash flow expectations.

Performance assessment, financial review and outlook

Financial and non-financial key performance indicators (KPIs) used by the Board to monitor progress are revenue, profit from operations, EBITDA, gross margin and headcount. Financial KPIs are discussed in more detail in the Financial review below. The outlook for the Group is discussed in the Chairman's statement on page 1.

The KPIs are as follows;

	2022	2021
Revenue	**£17,015,000**	£17,815,000
Profit from operations	**£1,108,000**	£686,000
Earnings before interest, tax, depreciation and amortisation (EBITDA)[1]	**£1,379,000**	£944,000
Gross margin	**28.1%**	21.4%
Average headcount	**104**	68

[1]*EBITDA – Profit from operations of £1,108,000 (2021: £686,000) adding back the depreciation and amortisation charge in the year of £271,000 (2021: £258,000)*

Corporate social responsibility

Our employees

The Group is committed to equal opportunities and operates employment policies which are designed to attract, retain and motivate high quality staff, regardless of gender, age, race, religion or disability. The Group has a policy of supporting staff in long term career development.

Culture and engagement

The Group recognises the importance of having effective communication and consultation with, and of providing leadership to, all its employees. The Group promotes the involvement of its employees in understanding the aims and performance of the business. An assessment of culture, engagement and future contribution made to the business by employees is made at each Board meeting and is considered a key aspect of the meetings. The Board has been satisfied with policies and practices and they are aligned with the Group's purpose and strategy and no corrective action is required.

The Group strives to recruit and retain high quality employees at the cutting edge of technology. A key engagement factor is the continuous professional development of all staff and the Group is committed to providing increased training and development opportunities, to enhance both the expertise and engagement of our workforce, and improving the quality of our services to our clients.

Diversity and inclusion

Diversity and inclusion is a key component of working life in the Group. Employees are encouraged to take an active role in decision making and driving the business forward, including several platforms within the business to share good practice, successes and potential improvements. The appointment of Charlotte Rigg as Director in 2020 increased the female proportion within the senior management team to 20% which is comparable to the Group as a whole. We continue to include diversity within our recruitment policies and make improvements as appropriate.

The following table shows the average number of persons employed during the year, by gender, who were directors, senior managers or employees of the Company.

	Male	Female	Total
Directors	6	1	7
Senior managers	2	1	3
Employees	69	25	94
Total	**77**	**27**	**104**

The average female proportion of the Group during the year ending 31 March 2022 was 26% (2021: 22%)

Environment and greenhouse gas reporting

This statement contains the Group's first TCFD aligned disclosure in accordance with FCA requirements of Premium Listed UK Corporates. The Group has provided responses across the TCFD's pillars and aims to advance the maturity of its climate-related actions and disclosures on an annual basis. The four pillars are as follows:

Governance – Governance of climate related risks and opportunities	Assessing, identifying, and managing climate related issues is part of the management team's responsibilities. The Board are informed of any climate related issues identified by the management team as and when they arise. When an issue is identified, the Board will monitor the progress of addressing this issue on a relevant basis.
Strategy – Impacts of actual or potential climate related risks and opportunities	No actual or potential impacts on the Group have been analysed due to the limited impact of climate related issues and opportunities over the short, medium and long term, and these have not been considered when making strategic decisions. If, and when a risk or opportunity is deemed to have a greater impact, the Group will follow the same process as identifying and assessing other risks and opportunities, described on page 6. With the Group's workforce having a full 2 years' experience of working remotely, no localised climate issues will have a material impact. National climate related risks, including electrical supply issues to the entire country at a single time, have been deemed exceptionally remote and not assessed. Due to the nature of the business, materiality of climate related risks and opportunities is determined by length of downtime of the workforce. There are no financial related disclosures due to the immateriality of the risks and opportunities, in line with the TCFD recommendations
Risk Management – identification, assessment, and management of climate related risks	Climate related risks are assessed as per other risks to the Group, described on page 6. There are no regulatory requirements that would have a material impact on the Group, and in line with our Carbon Reduction Plan, the Group is moving towards zero rated emissions by 2050.

Strategic report

Metrics – metrics and targets used to assess, manage and report relevant climate-related risks and opportunities	The Group's emissions per scope are detailed below in line SECR requirements, along with our KPIs of tCO_2e per £1m of revenue and per average total headcount. In November 2021 the Group published its first Carbon Reduction Plan, available on our website, committing to achieving Net Zero emissions by 2050. It included a shorter-term target to reduce carbon emissions by 18.1% to 150 tCO_2e over the five years to 2025, whilst staff numbers are growing. The continuing reduction will be achieved by embedding a degree of working from home as an ongoing policy, implementing a paperless office environment, switching to green energy tariffs, and increasing the profile of environmental issues and promotion of good practices through staff communication channels. The current measurements remain on target against this plan.

The Group has used mileage reports, public transport journey details and meter readings converted to tCO_2e using the 2021 UK Government's conversion factors for company reporting of greenhouse gas emissions.

The annual quantity of Greenhouse Gas (GHG) emissions for the period 1 April 2021 to 31 March 2022 in tonnes of carbon dioxide equivalents (tCO_2e) for the Group is shown in the table below, updated following reassessment of carbon footprint criteria:

GHG emissions	2022 tCO_2e[1]	2021 tCO_2e[1]
Emission source:		
Scope 1 – Combustion of fuel	**8**	11
Scope 2 – Electricity and heat purchased for own use	**26**	29
Total	**34**	40
Scope 3 – Including business travel and commuting	**11**	–
Total	**45**	40
tCO_2e per £1m revenue	**2.6**	2.2
FTE	**104**	68
Intensity ratio (tCO_2e per FTE)	**0.4**	0.6

[1] The calculation of tCO_2e for each source has been prepared in accordance with DEFRA guidelines for GHG reporting.

The annual energy consumed as a result of the purchase of electricity and heat for the period 1 April 2021 to 31 March 2022 in kWh is shown in the table below:

	2022	2021
Energy consumed (kWh)	**124,397**	122,763
kWh per £1m revenue	**7,317**	6,897
FTE	**104**	68
Intensity ratio (kWh per FTE)	**1,196**	1,805

The emissions are generated solely by activities in the UK. Emissions generated by electricity consumption is 59% (2021: 71%).

The Group has not been subject to any environmental fines during the year ended 31 March 2022 (2021: nil).

Social, community and human rights issues

Triad takes its responsibilities to the community and society as a whole very seriously. With people at the core of our values, during 2020 Triad was proud to have achieved its first Disability Confident badge – Disability Confident 1st level ("Committed"). In 2022 we plan to work up to the highest level (level 3), and we are using this to guide and improve our practices, particularly with regard to equality of opportunity for disabled staff and through our recruitment processes.

We have been looking for a way to best make an impact on the employment gaps that exist for under-represented groups working in UK technology and during 2021 we became members of Tech Talent Charter. Through this we have publicly declared our commitment to workplace equality, have access to a community of best practice and share data on diversity within our own Group. We believe we are working together to make a real difference to inclusion and diversity across the technology sector.

The Group actively supports charities. Managing Director Adrian Leer is a board member of Action for Children, and our staff participate in regular fund-raising activities for the charity, promoted and supported by Triad.

There are no human rights issues that impact upon operations.

Strategic report

Financial review

Group performance

Group revenue has decreased to £17.0m (2021: £17.8m). This reduction is due to the continued focus on consultancy assignments serviced by permanent fee earning consultants, which has led to a reduction in relatively low margin contractor led assignments and an increase in higher margin consultancy business. This strategy has resulted in an increase in gross profit to £4.8m (2021: £3.8m) and an increase in gross margin as a percentage of revenue to 28.1% (2021: 21.4%). This strategy continues to improve the Group's service quality to our client base and improves profitability.

The Group reports a profit from operations before taxation of £1.1m (2021: £0.6m). The positive variance in profitability before tax of £0.5m was due to the increase in gross profit (£1.0m) offset by the increase in overheads of (£0.5m). The Group reports a profit after tax of £1.2m (2021: £0.7m).

The balance sheet remains strong with no external debt, with the exception of the lease liabilities arising due to the application of IFRS 16, and the Group enjoys strong reserves of cash at £5.3m (2021: £4.9m) and no bad debts (2021: nil).

Overheads

Administrative expenses for the year are £3.7m (2021: £3.1m). The increase of £0.6m was predominantly due to personnel costs. The Group was able to sustain this increase in cost as a result of improvements in both trading and gross margins. As such, the Group was able to significantly grow profitability and now manages a sustainable cost base to support future profit growth.

Staff costs

Total staff costs have increased to £8.6m (2021: £5.7m) (note 7). The total average headcount for the year has increased to 104 (2021:68). The average number of consultants during the year was 77 (2021: 42) and at the close of the year the number was 95 (2021: 58). Growth in consultant numbers hand-in-hand with new business wins continues to be the main driver to the Group's strategy of growing both margin and profitability. Non-consultant staff numbers at the close of the year have remained static as the ratio of fee earners to administration staff improved to 9:1 (2021: 5:1).

Cash

Cash and cash equivalents as at 31 March 2022 increased to £5.3m (2021: £4.9m). The maintenance of working capital efficiencies during an extended period of growth during the year, resulted in a net cash inflow from operating activities of £1.2m (2021: £1.3m). During the year, trading and cash collection was such that the Group was not required to take advantage of the Government deferral schemes or access its Lloyds financing facility. The net cash outflow from financing activities was £0.8m (2021: outflow £0.3m), which included dividends paid of £0.7m (2021: nil). The net cash outflow from investing activities was £0.01m (2021: inflow £0.1m), with minimal capital expenditure in the year and relating mainly to the purchase of technology for new permanent members of staff to support gross profit growth.

Non-current assets

Non-current assets excluding taxation reduced by £0.1m (2021: increase £0.36m). This is predominantly related to the net effect of a reduction in the right of use asset of £0.2m (2021: reduction £0.1m) and the finance lease receivable of £0.1m (2021: £0.2m), which is now classified as a current asset. An increase of £0.05m was related to purchased assets (2021: increase £0.05m) and trade receivables increased by £0.1m (2021: £nil).

Taxation

The Group adopts a low risk approach to its tax affairs. The Group does not employ any complex tax structures or engage in any aggressive tax planning or tax avoidance schemes. The deferred tax asset increased to £0.16m (2021: £0.07m) in the year, mainly due to the expectation that tax losses brought forward will be offset against future profits (see note 8).

Net assets

The net asset position of the Group at 31 March 2022 was £6.0m (2021: £5.3m). The movements during the year are detailed on page 42.

Share options

A total of 511,000 options were exercised by Directors and staff during the year (2021: 48,600).

On 30 March, a total of 750,000 restricted stock options were granted to both Directors and staff (2021: nil). A share based expense has been recognised in the year of £476 (2021: £37,000).

Dividends

With the strong expectation of continued profitability and future positive cash flows, the Board are proposing a final dividend of 4p per share (2021: 2p per share), which together with the interim dividend already paid of 2p (2021: nil), totals 6p per share for the financial year (2021: 2p per share). See note 9.

By order of the Board

James McDonald
Finance Director
25 May 2022

Directors' report

The Directors present their Annual report on the activities of the Group, together with the financial statements for the year ended 31 March 2022. The Board confirms that these, taken as a whole, are fair, balanced and understandable, and that they provide the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy, and that the narrative sections of the report are consistent with the financial statements and accurately reflect the Group's performance and financial position.

The Strategic report provides information relating to the Group's activities, its business and strategy and the principal risks and uncertainties faced by the business, including analysis using financial and other KPIs where necessary. These sections, together with the Directors' remuneration and Corporate Governance reports, provide an overview of the Group, including environmental and employee matters and give an indication of future developments in the Group's business, so providing a balanced assessment of the Group's position and prospects, in accordance with the latest narrative reporting requirements. The Group's subsidiary undertakings are disclosed in the notes to the financial statements.

Corporate Governance disclosures required within the Directors' report have been included within our Corporate Governance report beginning on page 16 and form part of this report.

Share capital and substantial shareholdings

Share capital

As at 31 March 2022, the Company's issued share capital comprised a single class of shares referred to as ordinary shares. Details of the ordinary share capital can be found in note 19 to these financial statements.

Voting rights

The Group's articles provide that on a show of hands at a general meeting of the Company every member who (being an individual) is present in person and entitled to vote shall have one vote and on a poll, every member who is present in person or by proxy shall have one vote for every share held. The notice of the Annual General Meeting specifies deadlines for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be passed at the Annual General Meeting.

Transfer of shares

There are no restrictions on the transfer of ordinary shares in the Company other than as contained in the Articles:

- The Board may, in its absolute discretion, and without giving any reason for its decision, refuse to register any transfer of a share which is not fully paid up (but not so as to prevent dealing in listed shares from taking place) and on which the Company has a lien. The Board may also refuse to register any transfer unless it is in respect of only one class of shares, in favour of no more than four transferees, lodged at the Registered office, or such other place as the Board may decide, for registration, accompanied by a certificate for the shares to be transferred (except where the shares are registered in the name of a market nominee and no certificate has been issued for them) and such other evidence as the Board may reasonably require to prove the title of the intending transferor or his right to transfer the shares.

Certain restrictions may from time to time be imposed by laws and regulations, for example:

- Insider trading laws; and
- Whereby certain employees of the Group require the approval of the Company to deal in the Company's ordinary shares.

Appointment and replacement of Directors

The Board may appoint Directors. Any Directors so appointed shall retire from office at the next Annual General Meeting of the Company, but shall then be eligible for re-appointment.

The current Articles require that at the Annual General Meeting one third of the Directors shall retire from office but shall be eligible for re-appointment. The Directors to retire by rotation at each Annual General Meeting shall include any Director who wishes to retire and not offer themselves for re-election and otherwise shall be the Directors who, at the date of the meeting, have been longest in office since their last appointment or re-appointment.

A Director may be removed from office by the service of a notice to that effect signed by at least three quarters of all the other Directors.

Amendment of the Company's Articles of Association

The Company's Articles may only be amended by a special resolution passed at a general meeting of shareholders.

Substantial shareholdings

Since the year end, the Company received the following notification on 11 April 2022, relating to interests in the Company's issued share capital, as required under the Disclosure and Transparency Rules (DTR 5) when a notifiable threshold is crossed:

	Percentage of issued share capital
M Makar	(23.89%)
M Needham and S Cook (as the joint trustees in bankruptcy of M Makar)	23.89%

As at 25 May 2022, no notifications have been received since the year end.

Directors' report

Dividends

There was a 2p per share interim dividend paid during the year (2021: nil per share). The Directors propose a final dividend of 4p per share (2021: 2p).

Financial instruments

The Board reviews and agrees policies for managing financial risk. These policies, together with an analysis of the Group's exposure to financial risks are summarised in note 3 of these financial statements.

Research and development activity

Research and development activities are undertaken with the prospect of gaining new technical knowledge and understanding and developing new software. During the year, dedicated small teams worked on a number of reusable frameworks, including test automation across major software and Government projects. Teams also developed reusable components and tools including mail merge and skills matrix management systems.

Directors' interests in contracts

Directors' interests in contracts are shown in note 21 to the accounts.

Directors' insurance and indemnities

The Company maintains Directors' and Officers' liability insurance which gives appropriate cover for any legal action brought against its Directors and Officers. The Directors also have the benefit of the indemnity provisions contained in the Company's Articles of Association. These provisions, which are qualifying third-party indemnity provisions as defined by Section 236 of the Companies Act 2006, were in force throughout the year and are currently in force.

Disclosure of information to auditor

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The Directors are not aware of any relevant audit information of which the auditor is unaware.

Forward-looking statements

The Strategic report contains forward-looking statements. Due to the inherent uncertainties, including both economic and business risk factors, underlying such forward-looking information, the actual results of operations, financial position and liquidity may differ materially from those expressed or implied by these forward-looking statements.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic report. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Strategic report. In addition, note 3 to the financial statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposure to credit risk and liquidity risk. The Group meets its day to day working capital requirements through cash reserves and an invoice finance facility (which is currently unutilised).

The Group operates an efficient low-cost and historically cash generative model. The client base generally consists of large blue-chip entities, particularly within the public sector, enjoying long-term and productive client relationships. As such, debtor recovery has been reliable and predictable with a low exposure to bad debts. For the year ended 31 March 2022, the Group has not utilised any external debt, the current finance facilities or accessed any Government support schemes (2021: nil). Due to the ability to operate services remotely, the Group has remained in full operation throughout the pandemic periods and it is expected that it will continue to do so. The success of the business during the year ended 31 March 2022 illustrates the operational flexibility of both the Group and its current and future client base.

The going concern assessment considered a number of realistic scenarios covering the period ending 30 September 2023, including the ability of future client acquisition, and the impact of the reduction in services of key clients upon future cash flows. In addition, in the most severe scenario possible, a reverse stress test was modelled which included all current client contracts discontinued at expiry with no extension or replacement and with no cost mitigation. Even in the most extreme scenario, the Group has enough liquidity and long-term contracts to support the business through the going concern period. The Directors have concluded from these assessments that the Group would have sufficient headroom in cash balances to continue in operation.

Further information in relation to the Directors' consideration of the going concern position of the Group is contained in the Viability statement on page 8.

After making enquiries, including a review of the wider economy including Brexit, inflationary pressures and the Ukraine conflict, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and at least twelve months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Auditor

BDO LLP have indicated their willingness to continue in office. Accordingly, a resolution to reappoint BDO LLP as auditors of the Company will be proposed at the next Annual General Meeting.

Environment and greenhouse gas reporting

Carbon dioxide emissions data is contained in the Corporate social responsibility section of the Strategic report.

Statement of Directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements and have elected to prepare the Parent Company financial statements in accordance with UK adopted international accounting standards ('IFRS'). 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 for the group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards ('IFRS'), subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the Company will continue in business;
- prepare a directors' report, a strategic report and directors' remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the annual report and accounts, taken as a whole, are fair, balanced, and understandable and provides the information necessary for shareholders to assess the group's performance, business model and strategy.

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.

Directors' responsibilities pursuant to DTR4

The directors confirm to the best of their knowledge:

- The financial statements have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit and loss of the group and company.
- The annual report includes a fair review of the development and performance of the business and the financial position of the Group and Company, together with a description of the principal risks and uncertainties that they face.

By order of the Board

James McDonald
Company Secretary
25 May 2022

Corporate governance report

The Board has considered the principles and provisions of the UK Corporate Governance Code 2018 ("the Code") applicable for this financial period. The changes made in the revised Code attempt to improve corporate governance processes and encourage companies to demonstrate how good governance contributes to the achievement of long-term success for stakeholders. The Group keep governance matters under constant review. Despite the changes in the Code requiring a review of processes, there has not been a requirement to make fundamental changes to strategy or working practices.

The following statement sets out the Group's application of the principles of the Code and the extent of compliance with the Code's provisions, made in accordance with the requirements of the Listing Rules.

The Board

The Board is responsible for the long-term and sustainable success of the business, and considers all opportunities and risks as set out in the principal risks and uncertainties on page 6. Further, the Board considers how good governance can assist in promoting the delivery of the strategy, by reference to strong stakeholder engagement. Details of how the Board drive this engagement can be found within the S172 statement on page 7.

The Directors who held office during the financial year were:

Executive Directors

John Rigg, Chairman
Adrian Leer, Managing Director
James McDonald, Finance Director
Tim Eckes, Client Services Director

Independent non-Executive Directors

Alistair Fulton, senior independent non-Executive Director
Chris Duckworth
Charlotte Rigg

John Rigg is Chairman. He is a Chartered Accountant. He was a founder of Marcol Group Plc and was its Managing Director from 1983 until 1988. Marcol was floated on the Unlisted Securities Market in 1987. He was Chairman of Vega Group plc from 1989 until 1996, holding the post of Chief Executive for much of this period. Vega floated on the main market in 1992. He was a founder shareholder of Triad and served as the Chairman of the Company from 1988 up to just before its flotation in 1996, when he resigned to develop new business interests overseas. He was appointed as non-Executive Chairman in June 1999: in May 2004 he became part-time Executive Chairman. Between 4 February 2005 and 5 September 2007 John was acting Group Chief Executive.

Adrian Leer is Managing Director. He was appointed to the Board on 3 March 2015. He initially joined Triad in 2009 in a consultative capacity, providing advice to the business regarding its fledgling geospatial product, Zubed, and helping to secure significant wins with major clients. In 2010, he became General Manager of Zubed Geospatial. Adrian became Commercial Director of Triad Consulting & Solutions in 2012.

Tim Eckes is Client Services Director. He was appointed to the Board on 1 January 2020. Tim Eckes joined Triad in 1991 as a graduate software engineer before moving into a number of technical and commercial roles. He has multi-sector experience, having been involved in engagements across finance, telecoms, travel and central government. In 5 years preceding his appointment to the Board, as Managing Consultant he played a significant role in growing the business, through the development of long lasting and profitable relationships with key clients.

Alistair Fulton is a non-Executive Director. He is a Chartered Engineer and member of the British Computer Society. He was the founding Managing Director of Triad. He continued in this role until February 1997 when he became non-Executive Chairman, a position he retained until June 1999, when he took up his present position. He was a board member of CSSA for 15 years, President in 2000/2001, and is currently Master of the Worshipful Company of Information Technologists, the 100th Livery Company of the City of London.

Chris Duckworth was appointed on 1 July 2017 as a non-Executive Director. He has held numerous positions within public and private companies as Finance Director, Managing Director, non-Executive Director and Chairman. He was a founding shareholder and from 1989 to 1994 was Finance Director of Triad where he remained as a non-Executive Director until 1999. From 1989 to 1994 he was Finance Director of Vega Group PLC after which he served as a non-Executive Director until 1997. He was a founding shareholder and Chairman of Telecity PLC in May 1998 and subsequently acted as a non-Executive Director until August 2001.

Charlotte Rigg is a non-Executive Director and was appointed to the Board on 1 January 2020. Charlotte Rigg's experience is both extensive and diverse. Over the last 25 years she has built an internationally recognised stud farm and runs a sizeable upland grazing farm in Cumbria where the stud is based. In addition, Charlotte runs a successful and expanding investment property portfolio which has been established for over 20 years.

Corporate governance report

James McDonald is Finance Director and was appointed to the Board on 16 June 2020. He joined the Company in February 2020 and, in March 2020, assumed the position of Company Secretary and acting Finance Director. He is a Chartered Certified Accountant and has previously held a senior finance position at Foxtons Group plc, prior to which he was Group Finance Director and Company Secretary at Brook Street Bureau Plc. He qualified with EY in London.

The Board exercises full and effective control of the Group and has a formal schedule of matters specifically reserved to it for decision making, including responsibility for formulating, reviewing and approving Group strategy, budgets and major items of capital expenditure.

Regularly the Board will consider and discuss matters that include, but are not limited to:

- Strategy;
- Shareholder value;
- Financial performance and forecasts;
- Alignment of culture to Group values;
- Employee engagement;
- Human resources; and
- City and compliance matters.

The Executive Chairman, John Rigg, is responsible for the leadership and efficient operation of the Board. This entails ensuring that Board meetings are held in an open manner and allow sufficient time for agenda points to be discussed. It also entails the regular appraisal of each Director, providing feedback and reviewing any training or development needs.

Employee engagement is taken very seriously by the Board, and the need to engage with the workforce is even more important since the onset of the pandemic. Bi-weekly Group-wide communication meetings chaired by the Managing Director take place where there is a forum available for all staff to participate and contribute directly with management. Senior management meet daily to discuss the business and create appropriate communications that predominantly seek to enhance the well-being of staff but also look to align Group values to strategy. Further, on-line platforms exist that enable constructive discussions concerning operational delivery and best practice. Given the size of the Group, it is not appropriate to develop any sub-committees for this purpose and direct Group forums encourage all staff to participate without dilution of message.

In a competitive marketplace for talent, the Board ensure further engagement via regular pay reviews and formal staff development processes, which enable training and career aspirations to be discussed along with the facilitation of individual career paths. The Board are firmly of the view that the culture centred around the recruitment and retention of quality staff, their wellbeing, development and future career and remuneration aspirations will drive the strategic aims of the business and drive stakeholder value in the long-term.

The Board meets regularly with senior management to discuss operational matters. The non-Executive Directors must satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust. Following presentations by senior management and a disciplined process of review and challenge by the Board, clear decisions on the policy or strategy are adopted that preserve Group values and are sustainable over the long-term. The responsibility for implementing Board decisions is delegated to management on a structured basis and monitored at subsequent meetings.

During the period under review, and to date, the Executive Chairman has not held any business commitments outside the Group.

Alistair Fulton is the nominated senior independent non-Executive Director. Chris Duckworth and Charlotte Rigg are non-Executive Directors. All have long-standing experience as company directors and are free from any business or other relationship that could materially interfere with the exercise of their independent judgement. The Board benefits from their experience and independence, when they bring their judgement to Board decisions. The Board considers that all continue to remain independent for the reasons stated above.

The Group has a procedure for Directors to take independent professional advice in connection with the affairs of the Group and the discharge of their duties as Directors.

The Board has an Audit Committee, comprised of the Executive Chairman John Rigg, and the independent non-Executive Directors, Alistair Fulton and Chris Duckworth. The Committee is chaired by Alistair Fulton.

The Board has a Remuneration Committee, comprised of the Executive Chairman John Rigg, and the independent non-Executive Directors, Alistair Fulton, and Charlotte Rigg. No third-party advisors have a position on the committee or have provided services to the Committee during the year. The Committee is chaired by Alistair Fulton.

Corporate governance report

The following table shows the attendance of Directors at scheduled meetings of the Board and Audit and Remuneration Committees during the year ended 31 March 2022 and shows that the Board are able to allocate sufficient time to the company to discharge their responsibilities effectively.

	Board	Audit Committee	Remuneration Committee
Number of meetings held	11	1	2
Number of meetings attended			
Executive Directors:			
John Rigg (Chairman)	8	–	2
Adrian Leer	11	–	–
Tim Eckes	11	–	–
James McDonald	10	–	–
Non-Executive Directors:			
Alistair Fulton	11	1	2
Chris Duckworth	10	1	–
Charlotte Rigg	11	–	2

Audit Committee

The members of the Audit Committee are shown above.

The Board believe that John Rigg, a Chartered Accountant with broad experience of the IT industry, Alistair Fulton, who has been a Director of companies in the IT sector for over 30 years and Chris Duckworth, with many years of experience in senior finance positions in listed companies, have recent and relevant financial experience, as required by the Code.

The Audit Committee is responsible for reviewing the Group's annual and interim financial statements and other announcements. It is also responsible for reviewing the Group's internal financial controls and its internal control and risk management systems. It considers the appointment and fees of the external auditor and discusses the audit scope and findings arising from audits. The Committee is also responsible for assessing the Group's need for an internal audit function.

Consideration of significant issues in relation to the financial statements

The Audit Committee have considered the following significant issues in relation to the preparation of these financial statements;

Revenue recognition: The Committee has considered revenue recognised in projects during, and active at the end of the financial year to ensure revenue has been recognised correctly.

IFRS 16 'Leases': The Committee have considered the accounting treatment with respect to the critical accounting estimates.

Dilapidations provisions: The Committee have considered the accounting treatment with respect to the critical accounting estimates.

Going concern: The Committee has reviewed budgets, deferred tax calculations and cash flow projections against borrowing facilities available to the Group, to ensure the going concern basis of preparation of the results remains appropriate.

Meetings with auditor and senior finance team

Members of the Audit Committee met with the senior finance team in advance of their meeting with the auditor, prior to commencement of the year-end audit to discuss;

- Audit scope, strategy and objectives
- Key audit and accounting matters
- Independence and audit fee

A meeting was held prior to the completion of the audit with the senior finance team and the auditor to assess the effectiveness of the audit and discuss audit findings.

Effectiveness of external audit process

The Committee conducts an annual review of the effectiveness of the annual report process. Inputs into the review include feedback from the finance team, planning and scope of the audit process and identification of risk, the execution of the audit, communication by the auditor with the Committee, how the audit adds value and a review of auditor independence and objectivity. Feedback is provided to the external auditor and management by the Committee, with any actions reviewed by the Committee.

Auditor independence and objectivity

The Committee has procedures in place to ensure that independence and objectivity is not impaired. These include restrictions on the types of services which the external auditor can provide, in line with the FRC Ethical Standards on Auditing. The external auditor has safeguards in place to ensure that objectivity and independence is maintained and the Committee regularly reviews independence taking into consideration relevant UK professional and regulatory requirements. The external auditor is required to rotate the audit partner responsible for the Group audit every five years.

Non-audit fees

During the year the Group did not engage its auditor for any non-audit work, other than the review of the interim statements which has been retrospectively agreed by the Committee.

The Committee is responsible for reviewing any non-audit work to ensure it is permissible under EU audit regulations and that fees charged are justified, thus ensuring auditor independence is preserved.

Appointment of external auditor

BDO LLP was reappointed external auditor in 2017 following a tendering process.

BDO LLP has confirmed to the Committee that they remain independent and have maintained internal safeguards to ensure that the objectivity of the engagement partner and audit staff is not impaired.

Mandatory rotation of the auditor is required for the year ending 31 March 2024 and the Board are preparing to apply the appropriate tendering and selection process to appoint a new auditor.

Internal audit

The Audit Committee has considered the need for a separate internal audit function this year but does not consider it appropriate in view of the size of the Group. The Group is certified to ISO 9001: 2015.

Internal controls and risk management

The Board has applied the internal control and risk management provisions of the Code by establishing a continuous process for identifying, evaluating and managing the significant and emerging risks faced by the Group. The Board regularly reviews the process, which has been in place from the start of the year to the date of approval of this report and which is in accordance with FRC guidance on risk management, internal control and related financial and business reporting. The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against misstatement or loss.

In compliance with the Code, the Audit Committee regularly reviews the effectiveness of the Group's systems of internal financial control and risk management. The Board's monitoring covers all controls, including financial, operational and compliance controls and risk management. It is based principally on reviewing reports from management to consider whether significant weaknesses and risks are effectively managed and, if applicable, considering the need for more extensive monitoring.

The Board has also performed a specific assessment for the purpose of this annual report. This assessment considers all significant aspects of internal control and risk management arising during the period covered by the report.

The key elements of the internal control and risk management systems are described below:

- Clearly documented procedures contained in a series of manuals covering Group operations and management, which are subject to internal project audit and external audit as well as regular Board review.
- The Group's controls include appropriate segregation of duties which are embedded in the organisation
- The Group has a formal process for planning, reporting and reviewing financial performance against strategy, budgets, forecasts and on a monthly, bi-annual and annual basis.
- An appropriate budgeting process where the business prepares budgets for the coming year, which are approved by the Board.
- Close involvement in the day-to-day management of the business by the Executive Directors.
- Regular meetings between the Executive Chairman, Executive Directors and senior managers to discuss and monitor potential risks to the business, and to implement mitigation plans to address them.

Remuneration Committee

The Remuneration Committee is responsible for setting remuneration for Executive Directors and the Chairman in accordance with the remuneration policy below. In addition, the Committee is responsible for recommending and monitoring the level and structure of remuneration for senior management.

The Group's Remuneration Committee is authorised to take appropriate counsel to enable it to discharge its duty to make recommendations to the Board in respect of all aspects of the remuneration package of Directors. The Committee also takes into account the general workforce remuneration awards when setting Director remuneration.

The Directors' remuneration report can be found on page 22.

Corporate governance report

Whistleblowing

Staff may contact the senior independent non-Executive Director, in confidence, to raise genuine concerns of possible improprieties in financial reporting, or employee related matters.

Board evaluation

Board members are made fully aware of their duties and responsibilities as Directors of listed companies and are supported in understanding and applying these by established and more experienced Directors. The Executive Chairman continuously evaluates the ability of the Board to perform its duties and recognises the strengths and addresses any weaknesses of the Board. In addition, training is available for any Director at the Group's expense should the Board consider it appropriate in the interests of the Group.

Relations with shareholders

Substantial time and effort is spent by Board members on meetings with and presentations to existing and prospective investors. The views of shareholders derived from such meetings are disseminated by the Chairman to other Board members.

Private shareholders are invited to attend and participate at the Annual General Meeting.

Terms of reference

The terms of reference of the Audit and Remuneration Committees are available on request from the Company Secretary.

Statement of compliance

The Board considers that it has been compliant with the provisions of the Code for the whole of the period, except as detailed below:

Provision 9	*The roles of chairman and chief executive should not be exercised by the same individual.* John Rigg is the Executive Chairman. Adrian Leer is Managing Director. The Board currently has no plans to recruit a Chief Executive Officer as it considers that the duties are being satisfactorily covered by members of the Executive Board and the Group's senior management.
Provisions 17/23	*There should be a nominations committee which should lead the process for board appointments and make recommendations to the board.* The Board considers that because of its size, the whole Board should be involved in Board appointments.
Provision 18	*All directors should be subject to annual re-election.* The Board consider that because of its size, re-election by rotation in accordance with the Company's Articles of Association at the Annual General Meeting is sufficient.
Provision 19	*The chair should not remain in post beyond nine years from the date of their first appointment to the board.* The Board considers that because of its size and critically, due to the experience of the Executive Chairman, this would not be appropriate. The Board believe that re-election in accordance with the Company's Articles of Association is sufficient.
Provision 20	*Open advertising and/or an external search consultancy should generally be used for the appointment of the chair and non-executive directors.* The Board has a strong culture of promoting from within with relevant experience to the Group.
Provisions 21/23	*The board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual Directors.* There is a process of continuous informal evaluation, due to the small size of the Board.
Provision 24	*The chair of the board should not be a member of the audit committee.* The Board considers that because of its size, and the relevant knowledge and experience of the Executive Chairman, that this is not appropriate.
DTR 7.2.8 ARR	*The requirement to detail performance against a diversity policy.* The Group has a diversity policy which meets our legal requirements. The monitoring of performance against this policy is an area which the Board take very seriously and continuously look to improve. The size of the Group and the long tenure of senior staff provide constraints to improving ratios in the short-term.

By order of the Board

James McDonald
Company Secretary
25 May 2022

public class Main {
static class Saving {
public short d;
public short i;
public short j;
private short priority;
public int respFeature;
private int value;
public Saving() {
public short getPriority() {
return priority;
public void setValue(int value) {
this.value = value;
public int getValue() {
return value;
10460 Benefits
35246 Payroll taxes
76745 Salaries
76023 Commissions and bonuses
23674 Personnel Total

Directors' remuneration report

On the following pages we set out the remuneration report for the year ended 31 March 2022. The members of the Remuneration Committee are shown in the Corporate Governance report on page 16.

This report has been prepared in accordance with the Companies Act 2006 and is split into two sections as follows;

1. The Directors' remuneration policy.
2. The Annual report on remuneration. This will be subject to an advisory shareholder vote at this years' Annual General Meeting.

During the year the Committee carefully reviewed Directors' remuneration. Given the recent profitable growth of the business, and the continued positive trajectory under strong strategic and operational guidance, the Committee awarded salary increases to the Executive Directors during the year. Outside of the normal course of business, the Committee also awarded one-time discretionary payments to the Executive Directors to reward and strengthen their continued commitment.

Directors' remuneration policy

The remuneration policy sets out the framework within which the Company remunerates its Directors. The Company's remuneration report was put to a shareholder vote at the 2021 Annual General Meeting of the Company and was approved by 100% of shareholders with 4,481 votes withheld. See page 13 of the Directors' report for further details of voting rights.

The Committee welcomed the unanimous approval of the shareholders, which represented 43% of the total shareholding. The Committee aims to align meaningful remuneration with Group financial performance by taking into account the difficult trading environment, and to ensure the long-term health of the business. The performance of the Directors has been deemed by the Committee to be more than satisfactory, with progression on key strategic objectives and a return to profitability.

The Committee has taken steps to further align the remuneration of the Directors with shareholders by revising the Remuneration Policy and implementing the Triad Employee Share Incentive Plan. The Policy and Plan were put to the shareholders at the General Meeting held on 25 March 2022, where the Policy was approved by 99.9% of shareholders votes with 5,558 votes withheld. The Plan was also approved by 99.9% of shareholder votes with 1,408 votes withheld.

The Committee therefore concludes that the remuneration is fair and appropriate but will continue to seek shareholder feedback.

The remuneration policy will be put to a shareholder vote every three years unless any changes to the policy are proposed before then.

The Committee intends to implement the Directors' remuneration for the following year as agreed at the 2022 General Meeting.

Directors' remuneration report

Policy table – Executive Directors

Element & purpose	Operation	Maximum payable	Performance metrics
Base salary Reflects the individual's skills, responsibilities and experience. Supports the recruitment and retention of Executive Directors.	Reviewed annually taking into consideration market data, business performance, external economic factors, the complexity of the business and the role, cost, and the incumbent's experience and performance as well as the wider employee pay review.	Ordinarily, salary increases will be in line with average increases awarded to other employees in the Company. In certain circumstances, such as a change in responsibility or development in role increases beyond this may be made subject to the factors mentioned in the Operation column.	None, although individual performance is considered when setting salary levels.
Benefits in kind Protects the well-being of Directors and provides fair and reasonable market competitive benefits.	Benefits in kind include company cars or allowances, private medical insurance, life cover and permanent health insurance. Benefits are reviewed periodically. The Remuneration Committee retains discretion to provide other benefits depending on the circumstances which may include but are not limited to relocation costs or allowances to facilitate recruitment.	Benefits are set at a level considered to be appropriate taking into account individual circumstances.	None.
Pension Provides competitive post-retirement benefits to support the recruitment and retention of Executive Directors.	The Company pays contributions into a personal pension scheme or cash alternative.	The Company matches individual contributions up to a maximum of 5%. This limit is in line with the limits available for all employees.	None.
All employee share scheme To provide employees with the opportunity to own shares in the Company.	Executive Directors shall be eligible to participate in any future all employee share schemes (e.g. Save-as-you-earn or Share Incentive Plan) if adopted by the Company.	The limits will be in line with the HMRC limits for the relevant schemes.	Any conditions shall be in line with HMRC guidance for such schemes and there may be no performance conditions if appropriate.
Share option scheme Encourages share ownership amongst employees and aligns their interests with the shareholders.	The Company operates an EMI share option scheme. Discretionary awards are made in accordance with the scheme rules.	The potential value of options held rises as the Company's share price increases.	Specific performance criteria are specified at the time of awarding the share options to ensure alignment with the interests of shareholders.

Directors' remuneration report

Element & purpose	Operation	Maximum payable	Performance metrics
Employee Share Incentive Plan Incentivises long-term value creation, aligning the interests of Executives and shareholders through share awards.	The Remuneration Committee may make share awards annually under the Plan. The Plan will give the Remuneration Committee flexibility to make awards in the form of conditional awards (performance share award). Performance share awards shall have a performance period of at least 3 years. Awards shall not vest in full any earlier than 3 years, but the Remuneration Committee retains discretion to vest in tranches. Awards made to Executive Directors will have an additional post-vesting holding period of 2 years during which shares cannot be sold other than to settle tax liabilities which may arise. Malus and clawback provisions apply.	The maximum award that may be granted shall be 200% of salary.	Awards may have performance conditions attached. The Remuneration Committee has discretion to determine appropriate measures, targets and ranges in respect of each award when made. The Remuneration Committee may also adjust the formulaic outcome of awards where it deems that it is not reflective of overall business performance.

The award of shares under the Plan or EMI scheme is at the sole discretion of the Remuneration Committee: there is no contractual entitlement for any Director to receive an award annually or otherwise. The Group does not believe that a performance related annual cash bonus is appropriate at the present time and that solely equity-based incentives are a more appropriate mechanism for incentivising, rewarding and retaining Executive Directors.

Shareholding Guidelines

The Remuneration Committee is introducing shareholding guidelines in order to encourage a build-up of shares over time for the Executive Directors.

Whilst there is no formal requirement beyond the 2 year post-vesting holding period, the Remuneration Committee expects that a substantial portion of shares earned from incentive arrangements will continue to be held by the Executive Directors in the longer term.

Policy table – non-Executive Directors

Element	Relevance to short and long-term strategic objectives	Operation	Maximum payable	Performance metrics
Fees	Competitive fees to attract experienced Directors.	Reviewed annually.	In general, the level of fee increase for the non-Executive Directors will be set taking account of any change in responsibility.	Not applicable.

The remuneration of the non-Executive Directors is agreed by the Board. However, no Director is involved in deciding their own remuneration.

Directors' remuneration report

Malus and Clawback provisions

The Plan contains malus and clawback provisions which may trigger in exceptional circumstances and which include:

- material misstatement of company accounts;
- fraud, gross misconduct or misbehaviour;
- materially mistaken, misrepresented or incorrect information has been used to assess the value of an award;
- an error in assessing or setting performance conditions;
- material reputational damage or
- a downturn in financial performance or corporate failure for which the relevant individual is responsible or has significantly contributed to.

Malus may apply until settlement, and clawback may apply after vesting for up to 2 years, and these provisions allow the Remuneration Committee to recover value delivered in connection with awards and amend or reduce awards in the above circumstances (potentially to nil).

Discretion

The Remuneration Committee has discretion in several areas of the remuneration policy as set out in this report. The Remuneration Committee may also exercise operational and administrative discretions under relevant plan rules approved by shareholders as set out in those rules. In addition, the Remuneration Committee has the discretion to amend the remuneration policy in respect of minor or administrative matters where it would be, in the opinion of the Remuneration Committee, disproportionate to seek or await shareholder approval.

As noted, the Remuneration Committee reviews all incentive outturns to assess whether they align to the overall performance of the business and the experience of its key stakeholders over the period e.g., shareholders and employees. The Remuneration Committee retains discretion to adjust the formulaic outcome of incentives upwards or downwards to reflect its judgement. Any such exercise of discretion will be disclosed in the relevant annual report.

Pre-existing remuneration arrangements and minor changes

The Remuneration Committee may make remuneration payments outside of the terms of this remuneration policy where the terms of the payment were agreed prior to the introduction of this or prior remuneration policies, provided the terms were in line with the remuneration policy in place at that time, or where the terms were agreed prior to the relevant Director being a member of the Board. Any such payments may be satisfied in line with the terms agreed.

Approach to recruitment remuneration

The Group's remuneration policy is to provide remuneration packages which secure and retain management of the highest quality. Therefore, when determining the remuneration packages of new Executive Directors, the Remuneration Committee will structure a package in accordance with the general policy for Executive Directors as shown above. In doing so the Remuneration Committee will consider a number of factors including:

- the salaries and benefits available to Executive Directors of comparable companies;
- the need to ensure Executive Directors' commitment to the continued success of the Group;
- the experience of each Executive Director; and
- the nature and complexity of the work of each Executive Director.

The Remuneration Committee may determine that an initial salary positioning below market is appropriate and in those circumstances, may in the years following appointment award increases greater than levels awarded to the wider workforce in the short-term.

Incentive levels will be in line with the limits for Executive Directors and the structure will be as permissible under the policy.

If applicable, relocation allowances may be made in line with the policy.

The Company may offer to buy out incentives which have been forfeited from a previous employer. Where such awards are made, they will seek to match the value and time horizons of foregone awards and will reflect any performance conditions attached.

The Company will not make any sign-on bonuses or "golden hello" payments when appointing Executive Directors.

Directors’ remuneration report

Directors’ service contracts and policy

The details of the Directors’ contracts are summarised as follows:

	Date of contract	Notice period
J C Rigg	01/07/1999	1 month
A M Fulton	19/02/1997	1 month
A Leer	03/03/2015	6 months
C J Duckworth	01/07/2017	1 month
T J Eckes	01/01/2020	6 months
C M Rigg	01/01/2020	1 month
J McDonald	16/06/2020	6 months

All contracts are for an indefinite period. No contract has any provision for the payment of compensation upon the termination of that contract.

Illustrations of application of remuneration policy

As there are currently no performance related or variable elements of Executive Director remuneration it is not appropriate to prepare illustrations required under the legislation.

Policy on payment for loss of office

The primary principle underpinning the determination of any payments on loss of office is that payments for failure will not be made. Contracts and incentive plan rules have been drafted in such a way that the Remuneration Committee has the necessary powers to ensure this. It is the Group’s policy in relation to Directors’ contracts that:

- Executive Directors should have contracts with an indefinite term providing for a maximum of six months’ notice by either party.
- non-Executive Directors should have terms of engagement for an indefinite term providing for one month notice by either party.
- there is no provision for termination payments to Directors.

In relation to the Plan, awards will normally lapse for a leaver and the plan rules contain Good Leaver provisions that shall determine the treatment of awards in the following cases:

- death,
- ill-health, injury, disability
- the employing company / business / part of the business being transferred outside of the Group or
- any other reason at the discretion of the Remuneration Committee

In such cases:

- Awards will ordinarily be pro-rated based on time served over the vesting period.
- Vesting will normally occur at the normal time except upon death where vesting may be accelerated.
- Performance conditions shall still apply.

The Remuneration Committee reserves discretion however to determine the exact treatment of awards having due regard to the circumstances at the relevant time.

Consideration of employment conditions elsewhere in the Group

In setting the Executive Directors’ remuneration, the Committee takes into account the pay and employment conditions applicable across the Group in the reported period. No consultation has been held with employees in respect of Executive Directors’ remuneration.

Directors’ remuneration report

Consideration of shareholders’ views

The Remuneration Committee considers the views of institutional investors and published guidelines of its shareholders when making remuneration decisions. Furthermore, the Remuneration Committee is open to conversations with shareholders on the design of the policy and any remuneration decisions made concerning Executive Directors.

Annual report on remuneration (audited)

Directors' remuneration – single total figure of remuneration

The remuneration of each of the Directors for the period they served as a Director are set out below:

2022

Director	Basic salary and fees	Benefits in kind	Pension	Total Fixed Pay	One-time Discretionary payment	Total Variable Pay	Total
	£’000	£’000	£’000	£’000	£’000	£’000	£’000
Executive							
J C Rigg	60	–	–	60	–	–	60
A Leer [1]	163	18	30	211	161	161	372
T J Eckes [2]	133	2	21	156	64	64	220
J McDonald [3]	139	–	14	153	64	64	217
Non-Executive							
A M Fulton	40	–	–	40	–	–	40
C J Duckworth	35	–	–	35	–	–	35
C Rigg	35	–	–	35	–	–	35
Total	605	20	65	690	289	289	979

2021

Director	Basic salary and fees	Benefits in kind	Pension	Total Fixed Pay	Other	Total Variable Pay	Total
	£’000	£’000	£’000	£’000	£’000	£’000	£’000
Executive							
J C Rigg	60	–	–	60	–	–	60
A Leer	161	15	25	201	–	–	201
T J Eckes [4]	131	3	17	151	5	5	156
J McDonald (appointed 16.06.20) [5]	105	–	11	116	–	–	116
Non-Executive							
A M Fulton	40	–	–	40	–	–	40
C J Duckworth	35	–	–	35	–	–	35
C Rigg	35	–	–	35	–	–	35
Total	567	18	53	638	5	5	643

[1] *Adrian Leer's basic salary was increased from £175,000 to £200,000 p.a. with effect from 1 January 2022.*

[2] *Tim Eckes' basic salary was increased to £150,000 p.a. with effect from 1 January 2022.*

[3] *James McDonald's basic salary was increased to £150,000 p.a. with effect from 1 January 2022.*

[4] *Tim Eckes basic salary and car allowance was agreed on 16 June 2020 at £130,000 p.a. and £10,200 respectively, effective 1 January 2020. A total amount of £4,925 was paid in back-pay relating to the year ending 31 March 2020.*

[5] *James McDonald was appointed Finance Director 16 June 2020 on a salary of £130,000 p.a. and car allowance of £10,200 p.a. effective 1 July 2020. His salary, pension and benefits are pro-rated to reflect the period 16 June 2020 to 31 March 2021.*

Other Remuneration

In November 2021, the Executive Directors were awarded a one-time discretionary payment for their commitment and contribution during a very challenging year as follows: Adrian Leer £160,500, Tim Eckes £64,200 and James McDonald £64,200. Other than vesting conditions in relation to outstanding share award schemes (see note 20), no performance measures or targets were in place for either the year ended 31 March 2022 or any prior financial year, upon which any variable pay elements could become payable during the year.

Benefits in kind include the provision of company car and medical insurance.

Pension includes a 5% employer contribution together with contributions made under an employee salary sacrifice scheme.

Three Directors are members of a money purchase pension scheme into which the Group contributed during the year.

Payments to past Directors

There were no payments to past Directors during the year.

Payment for loss of office

There were no payments for loss of office during the year.

Directors' interests in shares

The Directors who held office at the end of the financial year had the following beneficial interests in the ordinary shares of the Company. No change has occurred between the year end and the date of this report.

	1 April 2021	31 March 2022
A M Fulton	337,040	**337,040**
J C Rigg	4,509,400	**4,594,400**
A Leer	155,379	**305,379**
C J Duckworth	22,026	**22,026**
T J Eckes	60,374	**120,374**
C M Rigg	100,000	**112,000**
J McDonald	–	**27,600**
Total	**5,184,219**	**5,518,819**

Directors' share options

EMI scheme

The interests of Executive Directors in the EMI share option scheme were as follows:

	At beginning of year	Forfeited during year	Exercised during year	At end of year	Exercise price	Exercise period
A Leer:						
granted 09.03.18	150,000	–	(150,000)	–	53.5p	09.03.21 to 09.03.28
T J Eckes:						
granted 09.03.18	60,000	–	(60,000)	–	53.5p	09.03.21 to 09.03.28
	210,000	**–**	**(210,000)**	**–**		

As the performance conditions were met all 210,000 above were exercisable on 1 April 2021 and were subject to relevant close period (2021: nil).

Share options are exercisable provided that the relevant performance requirement has been satisfied.

For options granted on 9 March 2018: The vesting date was set at 31 March 2021 and the exercise period ends on 9 March 2028, and 100% of the shares granted under an Option will vest if the Company's share price at 31 March 2021 has increased by 30% or more from the share price as at the date of grant. 50% of shares granted under an Option will vest if the Company's share price at 31 March 2021 has increased by 15% from the share price as at the date of grant. Between these upper and lower thresholds, awards vest on a straight-line basis.

The total share-based payment expense recognised in the year in respect of Directors' EMI share options is nil (2021: £13,619).

The market price of the Company's shares was 130p at 31 March 2022 and the range during the year was between 95p and 165p.

The total cash remitted to the Company by the Directors to exercise the share options during the year was £112k (2021: nil)

Restricted Stock Units

On 30 March 2022 the Committee awarded the Executive Directors the following restricted stock units (RSUs):

Director	Date award made	Number	Performance condition	Vesting date
Adrian Leer	30 March 2022	60,000	135.0p	30 March 2025
Tim Eckes	30 March 2022	60,000	135.0p	30 March 2025
James McDonald	30 March 2022	60,000	135.0p	30 March 2025

The Award will Vest if the Board determines that the Market Value of a Share on the third anniversary of the Award Date is equal to or greater than the Market Value of a Share on the Award Date. The market value at the Award Date is 135p.

The total share-based payment expense recognised in the year in respect of Directors' RSU share options is £114 (2021: nil).

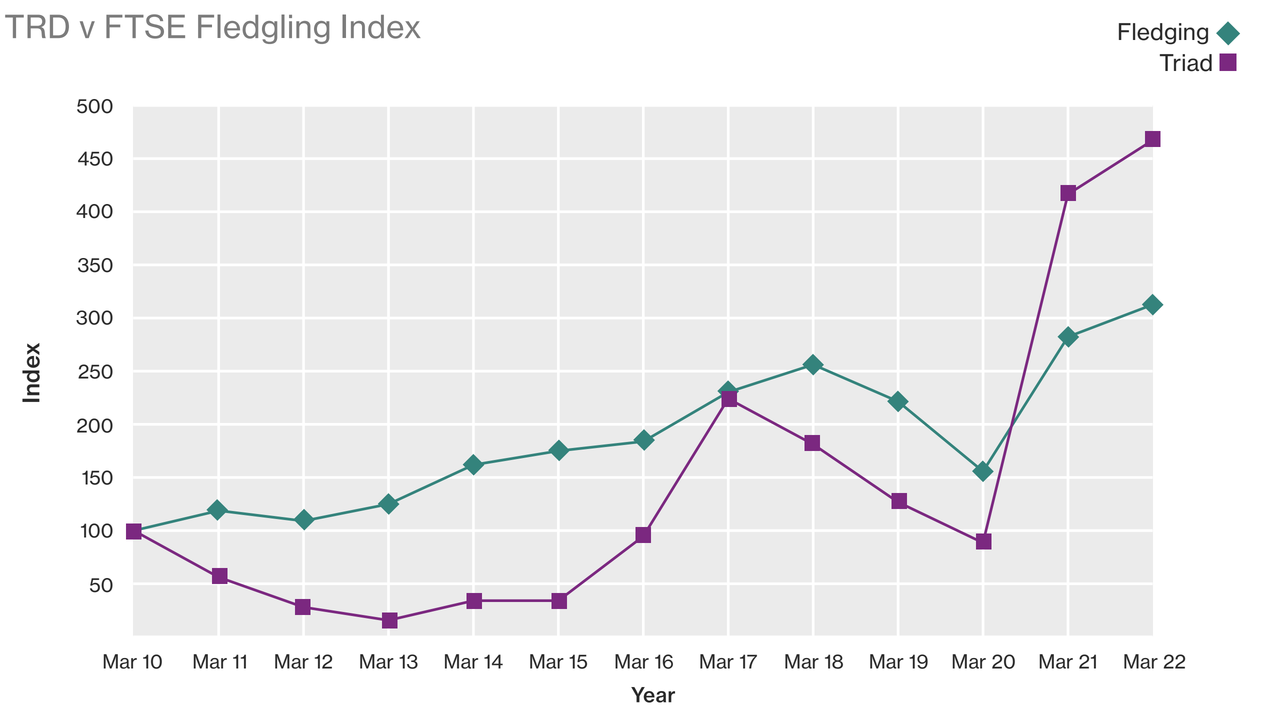
Malus, clawback and hold over periods are as per the Plan.

Further details relating to share awards can be found in note 20.

Annual report on remuneration (unaudited)

Performance graph

The following graph shows the Group's performance, measured by total shareholder return, compared with the performance of the FTSE Fledgling Index ("FTSEFI") also measured by total shareholder return ("TSR"). The FTSEFI has been selected for this comparison because it is an index of companies with similar current market capitalisation to Triad Group Plc.



Chief Executive remuneration

For the financial year ended 31 March 2022 the salary of the Executive Chairman was £60,000 (2021: £60,000). Employee salaries increased, on average, by 3.8% in the year.

The remuneration paid to the Executive Chairman for the financial years 2013 to 2022 were as follows:

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
£25,000	£25,000	£25,000	£25,000	£25,000	£60,000	£60,000	£60,000	£60,000	£60,000

The annual amounts paid above relate to salary only. The Executive Chairman did not receive any discretionary payments during these periods.

Relative importance of spend on pay

The total dividends or other cash distributions to shareholders during the year was £653k (2021: £nil), see note 9. The total employee remuneration (including Directors) during the year was £8.620m (2021: £5.705m).

Directors' remuneration report

Percentage change in Directors' remuneration

The tables below show the change in Directors' remuneration compared to the employees of the Company, where Directors and employees have been employed by Triad for the full relevant financial years (2021: 41 employees, 2022: 43 employees).

Basic salary and fees	2021	2022
J C Rigg	0%	0%
A Leer	0%	3.6%
T J Eckes	n/a	0.1%
J McDonald	n/a	9.4%
A M Fulton	0%	0%
C J Duckworth	0%	0%
C Rigg	n/a	0%
Employees of the Company	3.7%	3.8%

Benefits in kind [1]	2021	2022
J C Rigg	n/a	n/a
A Leer	(1.7%)	19.9% [2]
T J Eckes	n/a	(23.4%)
J McDonald	n/a	n/a
A M Fulton	n/a	n/a
C J Duckworth	n/a	n/a
C Rigg	n/a	n/a
Employees of the Company	(5.7%)	(18.3%)

[1] The negative values in this table represent a reduction in costs for the provision of identical benefits
[2] Represents the increase in provision of company car

Other (includes commission and bonus payments)	2021	2022
J C Rigg	n/a	n/a
A Leer	n/a	100%
T J Eckes	n/a	100%
J McDonald	n/a	100%
A M Fulton	(100%) [3]	n/a
C J Duckworth	n/a	n/a
C Rigg	n/a	n/a
Employees of the Company	(9.5%)	(44.3%) [4]

[3] Represents back pay paid in 2020
[4] Represents cessation of a commission scheme for a small number of employees

The Group is exempt from disclosing data with respect to the CEO pay ratio due to employee numbers being less than 250.

Consideration of matters related to Directors' remuneration

During the financial year, the Remuneration Committee met twice to discuss Directors' remuneration. No external advice was sought in relation to matters discussed at this meeting.

Alistair Fulton
Chairman, Remuneration Committee
25 May 2022

Independent auditors' report to the members of Triad Group Plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2022 and of the Group's and Parent Company's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Triad Group Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2022 which comprise the Group and Parent Company statements of comprehensive income and expense, the Group and Parent Company statements of changes in equity, the Group and Parent Company statements of financial position, the Group and Parent Company statements of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the Parent Company financial statements, as applied in accordance with the provisions 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the audit committee, we were appointed by the Directors to audit the financial statements for the year ending 31 March 2006 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 17 years, covering the years ending 31 March 2006 to 31 March 2022. We remain 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 public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- We considered the nature of the Group, its business model and related risks to going concern arising, including factors that affect the current economic climate such as the ongoing impact of Covid-19 and other macro events such as the Russia and Ukraine conflict.
- We evaluated the Directors' assessment of the Group's and Parent Company's ability to continue as a going concern, including challenging the underlying data by checking the accuracy of the assessments by comparing actual outcomes to prior year forecasts, client contracts and post year-end financial performance.
- We examined the forecasts and stress test provided by the Group. We tested the integrity of the models by checking the formulae, the arithmetic accuracy and any hard coding.
- We challenged the rationale for the key assumptions, using our knowledge of the business and the sector, corroborating to supporting documentation where appropriate.

- Enquires were made of management as to any future events or conditions that may affect the Group's ability to continue as a going concern, we have also inspected the minutes of Board meetings to support our enquiries.
- We obtained confirmation of the financing facilities available to the Group and assessed the availability of cash to the Group over the forecast period and the level of cash headroom available

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

In relation to the Parent Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

Overview

Coverage	100% of the Group profit before tax		
Key audit matters		**2022**	**2021**
	Revenue recognition	X	X
Materiality	*Group financial statements as a whole* £85k (2021: £89k) based on 0.5% (2021: 0.5%) of revenue		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group operates solely in the United Kingdom. The Group consists of six companies, five which are dormant, with the Parent Company being the only trading entity and significant component. The Group engagement team performed a full scope audit on the Parent Company.

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, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit addressed key audit matter
Revenue recognition As detailed in note 1 and 4 to the financial statements.	We considered there to be a significant risk over the existence of revenue. We believe this risk could manifest itself through: • fictitious invoices or contractor/candidates; • manipulation of cut-off; • manipulation of revenue through journal entries; • manipulation of principal vs agent; and • manipulation of contractor accrual. In view of the significance of revenue recognition to the financial statements and the potential for fraud this was considered to be a key audit matter.	We performed testing on a sample basis over the revenue postings pre and post year end, agreeing the posting to supporting documentation, checking that the transaction is recorded in the correct period. We performed testing on a sample basis over the contractor costs incurred before and after the year end, agreeing these to supporting documentation and checking that the revenue associated with these has been recorded in the correct period. We performed testing on a sample basis over the timecards received either side of the year end, agreeing them to sales invoices to ensure they have been recorded in the correct period. We performed testing on a sample basis over the revenue postings throughout the year, agreeing the postings to payment, timecard, confirmation of charge out rate and sales invoice as appropriate, to check that the transactions exist and are recorded in line with the accounting policy and in the correct accounting period. We tested a sample of manual journal postings to revenue, agreeing the posting to bank payment, sales invoices, credit notes and timecards where appropriate. We tested a sample of year end accrued and deferred income balances and agreed them to sales invoices, bank payment where relevant and timecards. We tested a sample of new customers and contractors during the period to supporting documentation to confirm existence. We tested a sample of new contracts during the year to check that revenue has been appropriately recognised as principal or agent as appropriate. We selected a sample of contracts for services provided in the year and agreed the revenue recognised against the policy stipulated in the contract to check that the revenue recognition was appropriate and reviewed the accounting treatment to check compliance with the requirements of the accounting standards. **Key observations:** Based on the procedures performed we did not identify any material matters to report.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group and Parent Company financial statements	
	2022 £k	**2021 £k**
Materiality	85	89
Basis for determining materiality	0.5% of revenue	0.5% of revenue
Rationale for the benchmark applied	Given the fluctuations in profit, we consider revenue to be the most appropriate benchmark as we believe it is one of the principal considerations for users of the financial statements in assessing the financial performance and development of the Group.	Given the fluctuations in profit, we consider revenue to be the most appropriate benchmark as we believe it is one of the principal considerations for users of the financial statements in assessing the financial performance and development of the Group.
Performance materiality	64	58
Basis for determining performance materiality	75% of materiality. The threshold was selected based on assessment of the balances subject to estimation, the level of audit differences historically and the mainly substantive approach to the audit. The threshold was increased in the year given the low level of audit differences arising historically.	65% of materiality. The threshold was selected based on assessment of the balances subject to estimation, the level of audit differences historically and the mainly substantive approach to the audit.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £4k (2021: £2k). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditors' report to the members of Triad Group Plc

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the parent company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 14; and • The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 8.
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 13; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 6; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 13; and • The section describing the work of the audit committee set out on page 18.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and 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.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
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 and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Based on our understanding of the regulatory and legal framework applicable to the Group and Parent Company and the industry in which it operates and considered the risk of acts by the Group and Parent Company which were contrary to applicable laws and regulations, including fraud.
- These included but were not limited to compliance with the Companies Act 2006, Corporate Governance, the UK listing rules and UK tax legislation.
- We focused on laws and regulations that could give rise to a material misstatement in the Group and Parent Company financial statements. Our procedures included, but were not limited to the investigation, through the review of minutes and enquires of management, of potential non-compliance with laws and regulations and review of the communications with the regulatory bodies.
- Our tests included, but were not limited to, agreement of the financial statement disclosures to underling supporting documentation, review of any correspondence with regulators and legal advisors and enquiries made of management.
- Fraud risk could manifest itself in the existence of revenue through fictious invoices or contractor/candidates; manipulation of cut-off; manipulation of revenue through journal entries; manipulation of principal vs agent; and manipulation of contractor accruals. The audit procedures performed in relation to revenue recognition are documented in the key audit matter section of our audit report.
- We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias in any key estimates that represented a risk of material misstatement due to fraud.
- We tested the appropriateness of journal entries and other adjustments and assessed whether the judgements made in making accounting estimates could be indicative of a potential bias. We evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

James Fearon
(Senior Statutory Auditor)
25 May 2022

For and on behalf of BDO LLP, Statutory Auditor
London, UK

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statements of comprehensive income and expense
for the year ended 31 March 2022

Group and Company	Note	2022 £'000	2021 £'000
Revenue	4	**17,015**	17,815
Cost of sales		**(12,231)**	(14,005)
Gross profit		**4,784**	3,810
Administrative expenses		**(3,676)**	(3,124)
Profit from operations	5	**1,108**	686
Finance income	13	**10**	15
Finance expense	6	**(37)**	(57)
Profit before tax		**1,081**	644
Tax Credit	8	**88**	41
Profit for the year and total comprehensive income attributable to equity holders of the parent		**1,169**	685
Basic earnings per share	10	**7.16p**	4.28p
Diluted earnings per share	10	**7.04p**	4.24p

All amounts relate to continuing activities.

The notes on pages 44 to 62 form part of the financial statements.

Statements of changes in equity for the year ended 31 March 2022

Group	Share Capital	Share premium account	Capital redemption reserve	Retained earnings	Total
	£’000	£’000	£’000	£’000	£’000
At 1 April 2020	160	660	104	3,631	4,555
Profit for the year and total comprehensive income	–	–	–	685	685
Ordinary shares issued	–	6	–	–	6
Share-based payments	–	–	–	37	37
At 1 April 2021	160	666	104	4,353	5,283
Profit for the year and total comprehensive income	–	–	–	1,169	1,169
Ordinary shares issued	5	214	–	–	219
Dividend paid (note 9)	–	–	–	(653)	(653)
Share-based payments	–	–	–	–	–
At 31 March 2022	**165**	**880**	**104**	**4,869**	**6,018**

Company	Share Capital	Share premium account	Capital redemption reserve	Retained earnings	Total
	£’000	£’000	£’000	£’000	£’000
At 1 April 2020	160	660	104	3,626	4,550
Profit for the year and total comprehensive income	–	–	–	685	685
Ordinary shares issued	–	6	–	–	6
Share-based payments	–	–	–	37	37
At 1 April 2021	160	666	104	4,348	5,278
Profit for the year and total comprehensive income	–	–	–	1,169	1,169
Ordinary shares issued	5	214	–	–	219
Dividend paid (note 9)	–	–	–	(653)	(653)
Share-based payments	–	–	–	–	–
At 31 March 2022	**165**	**880**	**104**	**4,864**	**6,013**

Share capital represents the amount subscribed for share capital at nominal value.

The share premium account represents the amount subscribed for share capital in excess of the nominal value.

The capital redemption reserve represents the nominal value of the purchase and cancellation of its own shares by the Company in 2002.

Retained earnings represents the cumulative net gains and losses recognised in the statement of comprehensive income and expense.

The notes on pages 44 to 62 form part of the financial statements.

Statements of financial position at 31 March 2022

Registered number 02285049

	Note	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Non-current assets					
Intangible assets	11	**2**	6	**2**	6
Property, plant and equipment	12	**278**	225	**278**	225
Right-of-use assets	13	**345**	532	**345**	532
Finance lease receivables	13	**–**	85	**–**	85
Trade and other receivables	15	**130**	–	**130**	–
Deferred tax	8	**161**	73	**161**	73
		916	921	**916**	921
Current assets					
Trade and other receivables	15	**2,554**	2,514	**2,554**	2,514
Finance lease receivables	13	**84**	108	**84**	108
Cash and cash equivalents	16	**5,325**	4,918	**5,325**	4,918
		7,963	7,540	**7,963**	7,540
Total assets		**8,879**	8,461	**8,879**	8,461
Current liabilities					
Trade and other payables	17	**(2,134)**	(2,248)	**(2,139)**	(2,253)
Short term provisions	18	**(61)**	–	**(61)**	–
Lease liabilities	13	**(269)**	(307)	**(269)**	(307)
		(2,464)	(2,555)	**(2,469)**	(2,560)
Non-current liabilities					
Trade and other payables	17	**(104)**	–	**(104)**	–
Long term provisions	18	**(136)**	(197)	**(136)**	(197)
Lease liabilities	13	**(157)**	(426)	**(157)**	(426)
		(397)	(623)	**(397)**	(623)
Total liabilities		**(2,861)**	(3,178)	**(2,866)**	(3,183)
Net assets		**6,018**	5,283	**6,013**	5,278
Shareholders' equity					
Share capital	19	**165**	160	**165**	160
Share premium account		**880**	666	**880**	666
Capital redemption reserve		**104**	104	**104**	104
Retained earnings		**4,869**	4,353	**4,864**	4,348
Total shareholders' equity		**6,018**	5,283	**6,013**	5,278

The financial statements on pages 40 to 63 were approved by the Board of Directors and authorised for issue on 25 May 2022 and were signed on its behalf by:

Adrian Leer
Director

James McDonald
Director

Triad Group Plc is registered in England and Wales with registered number 02285049

The notes on pages 44 to 62 form part of the financial statements.

Statements of cash flows for the year ended 31 March 2022

Group and company	Note	2022 £'000	2021 £'000
Cash flows from operating activities			
Profit for the year before taxation		**1,081**	644
Adjustments for:			
Profit on sale of asset		**–**	(7)
Depreciation of property, plant and equipment		**79**	80
Amortisation of right of use assets		**187**	173
Amortisation of intangible assets		**5**	5
Interest received		**(10)**	(15)
Finance expense		**35**	45
Share-based payment expense		**–**	37
Changes in working capital			
(Increase)/Decrease in trade and other receivables		**(169)**	226
(Decrease)/Increase in trade and other payables		**(11)**	121
Cash generated by operations		**1,197**	1,309
Foreign exchange gain		**1**	6
Net cash inflow from operating activities		**1,198**	1,315
Investing activities			
Finance lease interest received		**10**	15
Finance lease payments received		**109**	104
Proceeds from sale of asset		**–**	15
Purchase of intangible assets		**(1)**	(1)
Purchase of property, plant and equipment		**(132)**	(38)
Net cash used in investing activities		**(14)**	95
Financing activities			
Proceeds of issue of shares		**220**	6
Lease liabilities principal payments		**(307)**	(287)
Lease liabilities interest payments		**(37)**	(51)
Dividends paid	9	**(653)**	–
Net cash outflow from financing activities		**(777)**	(332)
Net increase in cash and cash equivalents		**407**	1,078
Cash and cash equivalents at beginning of the period		**4,918**	3,840
Cash and cash equivalents at end of the period	16	**5,325**	4,918

The notes on pages 44 to 62 form part of the financial statements.

1. Principal accounting policies

Basis of preparation for Group and Company

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

These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and with UK adopted International Financial Reporting Standards (IFRSs).

These financial statements have been prepared on a going concern basis.

These financial statements have been prepared on a historical cost basis and are presented in pounds sterling, generally rounded to the nearest thousand, the functional currency of the Company.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic report. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Strategic report. In addition, note 3 to the financial statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposure to credit risk and liquidity risk. The Group meets its day to day working capital requirements through cash reserves and an invoice finance facility (which is currently unutilised).

The Group operates an efficient low-cost and historically cash generative model. The client base generally consists of large blue-chip entities, particularly within the public sector, enjoying long-term and productive client relationships. As such, debtor recovery has been reliable and predictable with a low exposure to bad debts. For the year ended 31 March 2022, the Group has not utilised any external debt, the current finance facilities or accessed any Government support schemes (2021: nil). Due to the ability to operate services remotely, the Group has remained in full operation throughout the pandemic periods and it is expected that it will continue to do so. The success of the business during the year ended 31 March 2022 illustrates the operational flexibility of both the Group and its current and future client base.

The going concern assessment considered a number of realistic scenarios covering the period ending 30 September 2023, including the ability of future client acquisition, and the impact of the reduction in services of key clients upon future cash flows. In addition, in the most severe scenario possible, a reverse stress test was modelled which included all current client contracts discontinued at expiry with no extension or replacement and with no cost mitigation. Even in the most extreme scenario, the Group has enough liquidity and long-term contracts to support the business through the going concern period. The Directors have concluded from these assessments that the Group would have sufficient headroom in cash balances to continue in operation.

Further information in relation to the Directors' consideration of the going concern position of the Group is contained in the Viability statement on page 8.

After making enquiries, including a review of the wider economy including Brexit, inflationary pressures and the Ukraine conflict, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and at least twelve months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Basis of consolidation

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. 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.

Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and any impairment in value.

Depreciation is calculated as to write off the cost of assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. Depreciation is charged to administrative expenses in the statement of comprehensive income and expense. The principal annual rates used for this purpose are:

	%
Computer hardware	25–33
Fixtures and fittings	10–33
Motor vehicles	25–33
Leasehold improvements	10–33

Intangible assets

Intangible assets are stated at cost, net of accumulated amortisation and any impairment in value. The cost of internally developed software is the attributable salary costs and directly attributable overheads.

Amortisation is calculated to write off the cost of assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. Amortisation is charged to administration expenses in the statement of comprehensive income and expense. The principal annual rates used for this purpose are:

	%
Purchased computer software	25–33

Impairment of non-financial assets

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount the asset is written down accordingly. Impairment is charged to administration expenses in the statements of comprehensive income and expense.

Trade and other receivables

Trade and other receivables are initially recognised at fair value plus transaction costs, and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

At each reporting date an amount of impairment is recognised as lifetime expected credit losses (lifetime ECL's).

Lifetime ECL's are calculated using a provision matrix that groups trade receivables according to the time past due, and at provision rates based on historical observed default rates, adjusted for forward looking estimates. At every reporting date, the historical observed default rates and forward-looking estimates are updated.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprises cash held on demand with banks. The carrying amount of these assets is equal to their fair value.

Trade and other payables

Trade and other payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

Leases

The Group as Lessee:

All leasing arrangements, where the Group is the lessee (defined as leases that last more than one year or of a high value), are recognised as a lease liability and corresponding right-of-use asset.

Lease liability:

The lease liability is calculated as the discounted total fixed payments for the lease term, termination payments, exercise price of purchase options, residual value guarantee and certain variable payments. An interest charge is recognised in the statement of comprehensive income and expense on the lease liability at an incremental borrowing rate. The lease liability is presented across separate lines (current and non-current) in the statement of financial position. The lease liability increases to reflect the interest charge on the lease liability, at an incremental borrowing rate. The lease liability reduces over the period of the lease as payments are made. The lease liability is re-calculated if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment to purchase the underlying assets.

Right-of-use assets:

The right-of-use asset is calculated as the original lease liability, initial direct costs and amounts paid upfront. The right of use asset is subsequently measured at cost less accumulated amortisation. The amortisation is charged on a straight-line basis over the life of the lease.

The Group as lessor:

For the year ended 31 March 2022 lessor arrangements follow the accounting treatment 'IFRS 16 Leases'. Where the lease indicates a finance lease a lease receivable is recognised. The lease receivable is calculated as the discounted total lease receipts for the lease term.

Interest income is subsequently recognised in the statement of comprehensive income and expense on the lease receivable and the balance reduces over the lease term as receipts are received.

Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into sterling at the exchange rate ruling on the date of the statement of financial position. Transactions in foreign currencies are recorded at the exchange rate ruling as at the date of the transaction. All differences on exchange are taken to the statement of comprehensive income and expense in the year in which they arise.

Notes to the financial statements for the year ended 31 March 2022

Revenue

Revenue recognised in any financial period is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is either recognised at a 'point in time' when a performance obligation has been performed, or 'over time' as control of the performance obligation is transferred to the customer.

The majority of the Group's revenue is derived from the provision of services under time and materials contracts. Performance obligations under such contracts relate to the provision of staff to customers. The transaction price of the performance obligation is determined by reference to charge-out rates for supplied staff and are specified in the contract. Since the customer simultaneously receives and consumes the benefits of the Group's performance obligations under such contracts, revenue is recognised over time using the output method which uses a direct measurement of value to the customer of the services transferred to date.

Where temporary workers are supplied to customers, the associated revenue is recognised gross (inclusive of the cost of the temporary workers) since the Group is acting as principal. Under IFRS 15, in order to be recognised as principal, there must be a transfer of control between the vendor and the customer. Where the Group provides temporary contractors, it is acting as principal since it receives resourcing requirements directly from the customer, has prime responsibility to find suitable candidates and negotiate pay rates with them, and delivers the resources to the client including acceptance that the service provided meets the client's expectations. Revenue is therefore recognised as the gross amount invoiced to customers.

In relation to time and materials contracts, since it has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date, the Group recognises revenue in the amount to which it has a right to invoice.

Revenue from fixed price contracts, which may include software and product development or support contracts, is determined by reference to those fixed prices, agreed at inception of the contract. For fixed price contracts revenue is recognised on an over time basis using the input (percentage completion) method. Percentage completion is calculated as the total hours worked as at the statement of financial position date divided by the total expected hours to be worked to complete the project

Revenue for permanent recruitment services is based on a percentage of a successful candidate's remuneration package, as agreed with the customer at inception of the contract. Revenue is recognised at a point in time when the performance obligation has been satisfied at the time the candidate commences employment and subject to a provision for clawback of fees for candidates that leave prior to the notice period ending.

Revenue from licences is recognised net at the point of transaction. The Group enters into a distinct contract with a client for the licences. The Group acts as a reseller and the Client is bound by the terms and conditions of the end user agreement of the licence provider. As control of the licences are transferred to the client at contract agreement, the Group is acting as agent which enables the recognition of revenue at the point of transaction.

The Company has taken advantage of the practical exemption not to disclose the value of unfilled performance obligations as the contracts ongoing at the period end are for less than 12 months.

Taxation

The charge for taxation is based on the profit or loss for the year as adjusted for disallowable items. It is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Full provision is made for deferred tax on all temporary differences resulting from the difference between the carrying value of an asset or liability and its tax base, and on tax losses carried forward indefinitely. Deferred tax assets are recognised to the extent that it is probable that the deferred tax asset will be recovered in the foreseeable future. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled.

Pension costs

Contributions to defined contribution plans are charged to the statements of comprehensive income and expense as the contributions accrue.

Share-based payments

Share-based incentive arrangements are provided to employees under the Group's share option and conditional share incentive award scheme. Both awards granted to employees are valued at the date of grant using an appropriate option pricing model and are charged to operating profit over the performance or vesting period of the scheme. The annual charge is modified to take account of shares forfeited by employees who leave during the performance or vesting period and, in the case of non-market related performance conditions, where it becomes unlikely the option will vest.

Provisions

A provision is recognised when the Group has a 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, expected future cash flows are discounted using a current pre-tax rate that reflects the risks specific to the liability. Calculations of these provisions require judgements to be made. The Group has provided for property dilapidation as detailed in note 18.

New standards and interpretations

Climate change accounting

In preparing the Consolidated financial statements management has considered the impact of climate change, particularly in the context of the disclosures included in the Strategic Report. These considerations did not have a material impact on the financial reporting judgements and estimates.

A number of amendments to existing standards have been issued but which are not yet mandatory, and have not been adopted by the Group in these financial statements. The Directors do not anticipate that their adoption in future periods will have a material impact on the financial statements of the Group.

2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Key judgements and sources of estimation uncertainty

IFRS 16 leases

A right-of-use asset of £0.3m (2021: £0.5m), a total lease liability of £0.4m (2021: £0.7m) and a finance lease receivable of £0.1m (2021: £0.2m) have been recognised in accordance with the accounting policies on page 45 with respect to IFRS 16 'Leases'. During the previous year, a rent review was undertaken on the Milton Keynes lease, which resulted in an increase to the right of use asset and to the lease liability of £0.08m. The Directors have made the following critical accounting estimates and judgements in relation to these balances:

- Lease term: The Directors are of the opinion that property lease assets and liabilities should be calculated with relation to the first available break date as the expectation is that the lease break will be taken.
- Incremental borrowing rate (IBR): The Directors have calculated the IBR at 5%, based upon readily available credit facilities and Bank of England base rate, covering a time frame commensurate with the time to the first available break date.

Dilapidation provisions:

The Directors have recognised a dilapidation provision for both the leases held totalling £197,000 (2021: £197,000). The provision is required to recognise the costs of restoring the properties to their original state at the end of the lease period. The provision has been calculated using generally accepted industry averages of between 15 and 20% of lease costs and the Directors' experience with the landlords as well as experience in similar negotiations.

Deferred taxation:

The Directors have recognised a deferred tax asset of £161k (2021: £73k). This asset is to recognise the expectation that corporation tax losses brought forward will be utilised against future taxable profits. The Directors' have based this upon a conservative estimation of the level of taxable profits in the medium-term.

3. Financial risk management

The Group uses financial instruments that are necessary to facilitate its ordinary purchase and sale activities, namely cash, bank borrowings in the form of a receivables finance facility and trade payables and receivables: the resultant risks are foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Group does not use financial derivatives in its management of these risks.

The Board reviews and agrees policies for managing these risks and they are summarised below. These policies are consistent with last year.

3.1 Financial risk factors

Foreign exchange risk

There are a small number of routine trading contracts with both suppliers and clients in euros. In all such circumstances the contracts with supplier and client will be in the same currency thereby mitigating the Group's exposure to movements in exchange rates. Payments and receipts are made through a bank account in the currency of the contract therefore balances held in any foreign currency are to facilitate day to day transactions. With a functional currency of sterling there are the following foreign currency net assets:

Group and company	Note	2022 £'000	2021 £'000
Currency: Euros			
Cash and cash equivalents	16	**86**	156
Trade and other receivables	15	**(10)**	–
Trade and other payables	17	**–**	(10)
		76	146

Any change in currency rates would have no significant effect on results.

Interest rate risk

The Group has access to a financing facility with a major UK bank. At the balance sheet date in the current or prior year this facility has not been utilised. The facility borrowing rate 1.75% above base rate and so when required to be utilised, this represents an interest rate risk.

Cash balances are held in short-term interest-bearing accounts, repayable on demand: these attract interest rates which fluctuate in relation to movements in bank base rate. This maintains liquidity and does not commit the Group to long term deposits at fixed rates of interest.

There were no borrowings, aside from lease liabilities arising from the application of IFRS 16, during the year.

Credit risk

The Group is mainly exposed to credit risk from credit sales. It is Group policy to assess the credit risk of new customers before entering into contracts. Each new customer is assessed, using external ratings and relevant information in the public domain, before any credit limit is granted. In addition, trade receivables balances are monitored on a regular basis to minimise exposure to credit losses. The amount credited to the income statement during the year in respect of expected credit losses was £5,000 (2021: credited to the income statement £7,000).

The Group is also exposed to credit risk from contract assets, being revenue earned but not yet invoiced (note 15).

The Group also has credit risk from cash deposits with banks (note 16).

The Group's maximum exposure to credit risk is:

	Note	**2022 £'000**	2021 £'000
Finance lease receivable	13	**84**	193
Trade and other receivables	15	**2,113**	1,996
Contract assets	15	**212**	170
Other debtors	15	**208**	229
Cash and cash equivalents	16	**5,325**	4,918
		7,942	7,506

Liquidity risk

The Group's liquidity risk arises from its management of working capital. The Group has a facility to borrow an amount up to 90% of approved trade debtors subject to a maximum limit of £2.6m. The facility may be terminated by the bank and Group with one and three month's written notice respectively. The Board receives regular cash flow and working capital projections to enable it to monitor its available headroom under this facility. At the statement of financial position these projections indicated that the Group expected to have sufficient liquid resources to meet its reasonably expected obligations. Maturity of financial liabilities is set out in note 17.

Capital risk management

The Group's capital comprises of shareholders' equity. Its objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to maximise shareholder value. To maintain or adjust the capital structure the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or alter the level of borrowings.

3.2 Fair value estimation

The carrying value of financial assets and liabilities approximate their fair values.

4. Revenue

The Group operates solely in the UK. All material revenues are generated in the UK.

The largest single customer contributed 35% of Group revenue (2021: 47%) and was in the public sector. Two other customers contributed more than 10% of Group revenue (2021: one).

Disaggregation of revenue

In accordance with IFRS 15, the Group disaggregates revenue by contract type as management believe this best depicts how the nature, timing and uncertainty of the Group's revenue and cash flows are affected by economic factors. Accordingly, the following table disaggregates the Group's revenue by contract type:

Group and company	2022 £'000	2021 £'000
Time and materials	**16,593**	17,344
Fixed price	**118**	175
Percentage fee based	**211**	296
Licences	**93**	–
	17,015	17,815

The Group also disaggregates revenue by operating sector reflecting the different commercial risks (e.g. credit risk) associated with each.

Group and company	2022 £'000	2021 £'000
Public sector	**11,090**	11,357
Private sector	**5,925**	6,458
	17,015	17,815

Contract balances

For all contracts, the Group recognises a contract liability to the extent that payments made are greater than the revenue recognised at the period end date. When payments are made less than the revenue recognised at the period end date, the Group recognises a contract asset for the difference.

Contract assets and contract liabilities are included within 'trade and other receivables' and 'trade and other payables' respectively on the face of the statement of financial position.

	Contract assets		Contract liabilities	
Group and company	2022 £'000	2021 £'000	2022 £'000	2021 £'000
At 1 April	**170**	68	**(256)**	(41)
Transfers in the period from contract assets to trade receivables	**(170)**	(68)	**–**	–
Excess of revenue recognised over cash (or right to cash) being recognised in the period	**471**	170	**–**	–
Amounts included in contract liabilities that was recognised as revenue in the period	**–**	–	**256**	41
Cash received in advance of performance and not recognised as revenue in the period	**–**	–	**(116)**	(256)
At 31 March	**471**	170	**(116)**	(256)

There is no expectation of a material expected lifetime credit loss arising in relation to contract assets.

5. Profit from operations

	2022 £'000	2021 £'000
Profit from operations is stated after charging:		
Profit on disposal of fixed asset	–	(7)
Depreciation of owned assets	79	80
Amortisation of right of use assets	187	173
Amortisation of intangible assets	5	5
Auditor remuneration:		
Audit of financial statements: Group and company	66	59
Non-audit services	2	2

6. Finance expense

	2022 £'000	2021 £'000
Interest expense on lease liability	37	51
Net foreign exchange loss	–	6
Total finance expense	37	57

7. Employees and Directors

Group and company	2022 Number	2021 Number
Average number of persons (including Directors) employed		
Senior management	10	9
Fee earners	77	42
Sales	8	8
Administration and finance	9	9
	104	68

The number of permanent fee earners as at 31 March 2022 was 95 (2021: 58).

Staff costs for the above persons (including Directors)	2022 £'000	2021 £'000
Wages and salaries	6,995	4,599
Social security costs	827	537
Defined contribution pension costs	798	532
Equity settled share-based payments	–	37
	8,620	5,705

Directors	2022 £'000	2021 £'000
Emoluments	**894**	593
Benefits in kind	**20**	18
Money purchase pension contributions	**65**	57
Total remuneration	**979**	668
Social security costs	**115**	73
	1,094	741

Three Directors (2021: 3) had retirement benefits accruing under money purchase pension schemes. Key management personnel are considered to be the Directors.

8. Tax (credit)/charge

	2022 £'000	2021 £'000
Current tax		
Current tax on profits for the year	**–**	–
Deferred tax		
Increase in recognised deferred tax asset	**(85)**	(41)
Change in tax rate	**(3)**	–
Total tax credit for the year	**(88)**	(41)

The differences between the actual tax charge for the year and the standard rate of corporation tax in the UK applied to profits for the year are as follows:

	2022 £'000	2021 £'000
Profit before tax	**1,081**	644
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	**205**	122
Expenses not deductible for tax purposes	**8**	2
Allowances recognised	**(91)**	–
Recognition of deferred tax on losses	**(220)**	(165)
Change in tax rate	**(3)**	–
Prior year adjustments	**13**	–
Tax credit for the year	**(88)**	(41)

	2022 £'000	2021 £'000
Deferred tax asset		
The movement in deferred tax is as follows:		
At beginning of the year	**73**	32
Reversal of previously unrecognised deferred tax on losses	**85**	41
Tax rate changes	**3**	–
At end of the year	**161**	73

Deferred tax assets have been recognised in respect of tax losses where the Directors believe it is probable that the assets will be recovered. This expectation of recovery is calculated by modelling conservative estimates of future taxable profits that can be offset with historic trading losses brought forward. A deferred tax asset amounting to £473,000 (2021: £550,000) has not been recognised in respect of trading losses of £1,892,000 (2021: £2,896,000), which can be carried forward indefinitely.

Deferred tax assets have not been recognised for potential temporary differences arising from unexercised share options of £22k (2021: £29k) and general provisions of £42k (2021: £11k) as the Directors believe it is not certain these assets will be recovered.

The UK Budget on 3 March 2021 announced an increase in the UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The effect of the rate increase is reflected in the consolidated financial statements as has been substantively enacted at the balance sheet date.

9. Dividends

	2022 £'000	2021 £'000
Final dividend for the year ended 31 March 2021 – 2p per share	**323**	–
Interim dividend for the year ended 31 March 2022 – 2p per share	**330**	–
Total dividend paid	**653**	–

The Directors propose a final dividend of 4p per share (2021: 2p per share), bringing the total dividend to 6p for the financial year (2021: 2p per share).

10. Earnings per ordinary share

Earnings per share have been calculated on the profit for the year divided by the weighted average number of shares in issue during the period based on the following:

	2022	2021
Profit for the year	**£1,169,000**	£685,000
Average number of shares in issue	**16,325,415**	15,994,082
Effect of dilutive options	**288,934**	176,113
Average number of shares in issue plus dilutive options	**16,614,349**	16,170,195
Basic earnings per share	**7.16p**	4.28p
Diluted earnings per share	**7.04p**	4.24p

11. Intangible assets

Group and Company	Purchased software £'000
Cost	
At 31 March 2020	126
Additions	1
Disposals	–
At 31 March 2021	**127**
Additions	1
Disposals	–
At 31 March 2022	**128**
Accumulated amortisation/impairment	
At 31 March 2020	116
Charge for the year	5
Disposals	–
At 31 March 2021	121
Charge for the year	5
Disposals	–
At 31 March 2022	**126**
Net book value	
At 31 March 2022	**2**
At 31 March 2021	6

12. Property, plant and equipment

Group and company	Computer hardware £'000	Fixtures & fittings £'000	Motor vehicles £'000	Total £'000
Cost				
At 31 March 2020	191	502	39	732
Additions	31	7	–	38
Disposals	(3)	–	(35)	(38)
At 31 March 2021	219	509	4	732
Additions	43	89	–	132
Disposals	(26)	(8)	–	(34)
At 31 March 2022	**236**	**590**	**4**	**830**
Accumulated depreciation				
At 31 March 2020	143	287	27	457
Charge for the year	22	54	4	80
Disposals	(3)	–	(27)	(30)
At 31 March 2021	162	341	4	507
Charge for the year	28	51	–	79
Disposals	(26)	(8)	–	(34)
At 31 March 2022	**164**	**384**	**4**	**552**
Net book value				
At 31 March 2022	**72**	**206**	**–**	**278**
At 31 March 2021	57	168	–	225

13. Leases

The Group as a lessee:

The Group has leases contracts for its office premises with terms remaining ranging from 1 to 3 years. The lease liability has been calculated on the basis of the termination option being taken. There are no other future cash outflows in relation to the lease to which the Group is potentially exposed. Each lease is represented on the balance sheet as a right of use asset and a lease liability. Short-term leases are not recognised and expensed to the profit and loss statement.

Right-of-use assets

The carrying amounts of the right-of-use assets are as follows:

	Land and buildings £'000	Total £'000
At 31 March 2020		
Opening position	622	622
Rent review increase	83	83
Amortisation	(173)	(173)
At 31 March 2021	**532**	**532**
Amortisation	(187)	(187)
At 31 March 2022	**345**	**345**

Lease liabilities

The carrying amount of the lease liabilities recognised are as follows:

	Land and buildings £'000	Total £'000
At 31 March 2020		
Opening position	938	938
Rent review increase	82	82
Interest expense	51	51
Lease payments	(338)	(338)
At 31 March 2021	**733**	**733**
Interest expense	37	37
Lease payments	(344)	(344)
At 31 March 2022	**426**	**426**

At the balance sheet date, the Group had outstanding commitments for future lease payments as follows:

At 31 March 2021	Up to 3 months £'000	Between 3 and 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000
Discounted lease liabilities	77	230	269	157
Undiscounted lease liabilities	86	258	290	167

At 31 March 2022	Up to 3 months £'000	Between 3 and 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000
Discounted lease liabilities	81	188	121	36
Undiscounted lease liabilities	86	204	129	38

The Group as a lessor:

Finance lease receivables

The Group has entered into a lease arrangement considered to be a finance lease, representing rentals payable to the Group for a rental of a proportion of a leased property. The carrying amounts of the lease receivable asset are as follows:

	Land and buildings £'000	Total £'000
At 31 March 2020		
Opening position	297	297
Interest income	15	15
Payments received	(119)	(119)
At 31 March 2021	**193**	**193**
Interest income	10	10
Payments received	(119)	(119)
At 31 March 2022	**84**	**84**

At the balance sheet date, the Group had future lease receivables as follows:

At 31 March 2021	Up to 3 months £'000	Between 3 and 12 months £'000	Between 1 and 2 years £'000
Discounted lease receivables	27	81	85
Undiscounted lease receivables	30	89	89

At 31 March 2022	Up to 3 months £'000	Between 3 and 12 months £'000
Discounted lease receivables	28	56
Undiscounted lease receivables	30	59

The total lease receivable of £84k (2021: £193k) is disclosed as non-current assets of £nil (2021: £85k) and current assets of £84k (2021: £108k).

14. Investments

Company

Investments are:

(a) Generic Software Consultants Limited ("Generic"), a 100% subsidiary undertaking, in respect of both voting rights and issued shares, which is registered in England and Wales and has an issued share capital of 5,610 US$1 ordinary shares. The investment is stated in the Company's books at £440.

Up to 31 March 2009 Generic acted as an agent for the business, but did not enter into any transactions in its own right: its business was included within the figures reported by the Company. On 1 April 2009 the agency agreement was terminated and all business is now conducted directly by the parent company including its Generic business.

(b) Triad Special Systems Limited, Generic Online Limited, Zubed Geospatial Limited, Zubed Sales Limited, are all 100% subsidiaries which are registered in England and Wales. They are dormant companies, which have never traded. Each has a share capital of £1.

The registered office of Triad Special Systems is Huxley House, Weyside Park, Catteshall Lane, Godalming, Surrey GU7 1XE. The registered office of the other subsidiaries is 3 Caldecotte Lake Business Park, Caldecotte Lake Drive, Caldecotte, Milton Keynes MK7 8LF.

15. Trade and other receivables

Group and company	**2022 £'000**	2021 £'000
Trade receivables	**1,868**	2,015
Less: provision for expected credit losses	**(14)**	(19)
Trade receivables-net	**1,854**	1,996
Contract assets	**212**	170
Unbilled income	**259**	–
Other debtors	**208**	229
Trade and other receivables	**2,533**	2,395
Prepayments	**151**	119
	2,684	2,514
Analysed as:		
Non-current asset: unbilled income	**130**	–
Current asset	**2,554**	2,514
Total	**2,684**	2,514

Other debtors of £208k (2021: £229k) is with respect to legal costs recoverable and accrued interest thereon with a shareholder who holds more than 20% of the company's issued share capital. The fair value of trade and other receivables approximates closely to their book value.

Unbilled income is in respect to the billing profile of a licence agreement.

The lifetime expected credit losses on trade receivables as at 31 March 2022 is calculated as follows:

Group and company	Expected default rate	Gross carrying amount	Credit loss allowance
	(A)	(B)	(A x B)
	%	£'000	£'000
Current	0.75	1,856	13
Up to 30 days past due	5.0	12	1
		1,868	14

No provision has been recognised for contract assets and other debtors as they are expected to be fully recovered.

The lifetime expected credit losses on trade receivables as at 31 March 2021 were calculated as follows:

Group and company	Expected default rate	Gross carrying amount	Credit loss allowance
	(A)	(B)	(A x B)
	%	£'000	£'000
Current	0.75	1,931	15
Up to 30 days past due	5.0	84	4
		2,015	19

Movements on the provision for expected credit loss are as follows:

Group and company	2022 £'000	2021 £'000
At beginning of the year	19	26
Charged to income statement	–	–
Credited to income statement	(5)	(7)
At end of the year (credit loss allowance)	14	19

The carrying amount of the Group's trade and other receivables are denominated in the following currencies:

Group and company	2022 £'000	2021 £'000
Sterling	2,543	2,395
Euros	(10)	–
	2,533	2,395

16. Cash and cash equivalents

Group and company	2022 £'000	2021 £'000
Cash available on demand	**5,325**	4,918

The fair value of cash and cash equivalents approximates closely to their book value.

The carrying amount of the Group's cash and cash equivalents is denominated in the following currencies:

Group and company	2022 £'000	2021 £'000
Sterling	**5,239**	4,762
Euros	**86**	156
	5,325	4,918

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash, as detailed above.

The Group has access to a financing facility with a major UK bank. At the balance sheet date in the current or prior year this facility has not been utilised. The facility borrowing rate is 1.75% above base rate.

17. Trade and other payables

	Group		Company	
	2022 £'000	2021 £'000	**2022 £'000**	2021 £'000
Trade payables	**667**	923	**667**	923
Accruals	**525**	324	**525**	324
Owed to subsidiary	**–**	–	**5**	5
	1,192	1,247	**1,197**	1,252
Contract liabilities	**116**	256	**116**	256
Other taxation and social security	**930**	745	**930**	745
	2,238	2,248	**2,243**	2,253
Analysed as:				
Current liability	**2,134**	2,248	**2,139**	2,253
Non-current liability: accruals	**104**	–	**104**	–
Total	**2,238**	2,248	**2,243**	2,253

The majority of trade and other payables are settled within three months from the year end.

The fair value of trade and other payables approximates closely to their book value.

The carrying amount of trade and other payables is denominated in the following currencies:

	Group		Company	
	2022 **£'000**	2021 £'000	**2022** **£'000**	2021 £'000
Sterling	**1,192**	1,237	**1,197**	1,242
Euros	**–**	10	**–**	10
	1,192	1,247	**1,197**	1,252

18. Provisions

Group and company	Provision for property dilapidation £'000
At 1 April 2021	197
Additions	–
Charged to income statement	–
Utilised in year	–
At 31 March 2022	**197**

The maturity profile of the present value of provisions is as follows:

Group and company	**2022** **£'000**	2021 £'000
Current		
Provision for property dilapidation	**61**	–
Non-current		
Provision for property dilapidation	**136**	197

The provision for property dilapidation covers the estimated future costs required to meet obligations under property leases to redecorate and repair property.

19. Share capital

	2022	2021
Ordinary shares of 1p each		
Issued, called up and fully paid:		
Number	**16,539,579**	16,028,579
Nominal value	**£165,396**	£160,286

During the year 511,000 1p ordinary shares were issued as a result of the exercise by employees of share options:

Number	Option price	Increase in share capital	Increase in share premium
129,000	13.5p	£1,290	£16,125
5,000	11.0p	£50	£500
377,000	53.5p	£3,770	£197,925
511,000		**£5,110**	**£214,550**

20. Share-based payments

At 31 March 2022, 228,000 options granted under employee share option schemes remain outstanding:

Date option granted	Number	Exercise price	Period options exercisable
18 September 2014	70,000	11.0p	18 September 2017 to 18 September 2024
9 March 2018	158,000	53.5p	1 April 2021 to 9 March 2028

Under the terms of the scheme, options vest after a period of three years continued employment and are subject to the following performance conditions:

For options granted on 9 March 2018: 100% of the shares granted under an option will vest if the Company's share price at 31 March 2021 has increased by 30% or more from the share price as at the date of grant. 50% of shares granted under an option will vest if the Company's share price at 31 March 2021 has increased by 15% from the share price as at the date of grant. Between these upper and lower thresholds, awards vest on a straight-line basis.

For options granted on 18 September 2014: in at least one financial year after the date of grant, the Company shall have achieved a positive basic earnings per share (subject to adjustment to exclude identified exceptional items), as reported in its audited annual accounts.

Options have been valued using the Black-Scholes option-pricing model. No performance conditions were included in the fair value calculations.

No options were granted during the year (2021: nil).

During the year, a number of restricted stock units were granted under the new Triad Employee Share Incentive Plan, and remain outstanding as follows:

Date award made	Number	Performance condition	Vesting date
30 March 2022	750,000	135.0p	30 March 2025

The Award will Vest if the Board determines that the Market Value of a Share on the third anniversary of the Award Date is equal to or greater than the Market Value of a Share on the Award Date. The market value at the Award Date is 135.0p.

The total expense recognised in the year is £476 (2021: £37,000).

A reconciliation of the total share award movements over the year to 31 March 2022 is shown below:

	2022		2021	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
		Pence		Pence
Outstanding at start of year	**739,000**	**42.2**	817,600	40.3
Granted	**750,000**	**1.0**	–	–
Exercised	**(511,000)**	**43.0**	(48,600)	12.5
Forfeited	**–**	**–**	(30,000)	38.0
Outstanding at end of year	**978,000**	**10.2**	739,000	42.2
Exercisable at end of year	**228,000**	**40.5**	739,000	42.2

There were 511,000 share options exercised during the year. There are no share options held by Directors in the above figures, and a total of 180,000 restricted stock units (RSUs). Transactions with Directors are set out in the Directors' remuneration report on page 22.

The weighted average share price at the date of exercise for share options exercised during the period was 118.2p (2021: 75.6p). The options outstanding as at 31 March 2022 had an exercise price of 11.0p or 53.5p, and with respect to the RSUs 135.0p, with a weighted average remaining contractual life of 3.4 years (2021: 5.4 years).

The inputs into the share-based payments model to calculate the RSU awards were as follows:

Expected volatility	35%
Expected life	3 years
Risk-free rate	1.7%
Exercise price	1p
Valuation	135p

21. Related party transactions and ultimate control

The Group and Company rents one of its offices under a lease expiring in 2028, with a break clause in 2023. The current annual rent of £215,000 was fixed, by independent valuation, at the last rent review in 2008. J C Rigg, a Director, has notified the Board that he has a 50% beneficial interest in this contract. The balance owed at the year-end was £nil (2021: £nil). There is no ultimate controlling party.

Five year record

For accounting periods commencing after 1 April 2018 the accounting treatment changed due to the introduction of IFRS 9 and IFRS 15. For the accounting period commencing 1 April 2019 further changes were made due to the introduction of IFRS 16. Therefore the accounting policies over the period detailed below will vary and be inconsistent.

Consolidated income statement

Years ended 31 March	**2022 £'000**	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Revenue	**17,015**	17,815	19,354	22,713	27,819
Gross profit	**4,784**	3,810	2,854	4,376	4,724
Profit/(Loss) before tax	**1,081**	644	(602)	1,017	1,662
Tax credit/(charge)	**88**	41	(159)	(132)	(38)
Profit/(Loss) after tax	**1,169**	685	(761)	885	1,624
Retained profit/(loss) for the financial year	**1,169**	685	(761)	885	1,624
Basic earnings/(loss) per share (pence)	**7.16**	4.28	(4.76)	5.60	10.45

Balance sheet

As at 31 March	**2022 £'000**	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Non-current assets	**916**	921	1,236	411	463
Current assets	**7,963**	7,540	6,581	7,937	7,736
Current liabilities	**(2,464)**	(2,555)	(2,399)	(2,483)	(2,997)
Non-current liabilities	**(397)**	(623)	(863)	(99)	(77)
Net assets	**6,018**	5,283	4,555	5,766	5,125
Share capital	**165**	160	160	160	156
Share premium account	**880**	666	660	659	619
Capital redemption reserve	**104**	104	104	104	104
Retained earnings	**4,869**	4,353	3,631	4,843	4,246
Equity shareholders' funds	**6,018**	5,283	4,555	5,766	5,125

Shareholders' information and financial calendar

Share register

Equiniti maintain the register of members of the Company. If you have any questions about your personal holding of the Company's shares, please contact:

EQ
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Telephone: 0371 384 2486

If you change your name or address or if the details on the envelope enclosing the report, including your postcode, are incorrect or incomplete, please notify the registrar in writing.

Shareholders' enquiries

If you have an enquiry about the Group's business, or about something affecting you as a shareholder (other than queries that are dealt with by the registrar) you should contact the Company Secretary, by letter or telephone at the Company's registered office.

Company Secretary and registered office:

James McDonald
Triad Group Plc
Weyside Park
Catteshall Lane
Godalming
Surrey
GU7 1XE

Telephone: 01908 278450

Email: investors@triad.co.uk

Website: www.triad.co.uk

Financial calendar

Annual General Meeting
The date of the AGM is to be confirmed.

Financial year ended 31 March 2023: expected announcement of results

Half-year	November 2022
Full-year	June 2023

Corporate information

Executive Directors

John Rigg, Chairman

Adrian Leer, Managing Director

Tim Eckes, Client Services Director

James McDonald, Finance Director

Non-Executive Directors

Alistair Fulton

Chris Duckworth

Charlotte Rigg

Secretary and registered office

James McDonald
Triad Group Plc
Weyside Park
Catteshall Lane
Godalming
Surrey
GU7 1XE

Telephone:	01908 278450
Email:	investors@triad.co.uk
Website:	www.triad.co.uk

Country of incorporation and domicile of parent company

United Kingdom

Legal form

Public limited company

Company number

02285049

Registered Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Brokers

Arden Partners plc
125 Old Broad Street
London
EC2N 1AR

Solicitors

Freeths
Davy Avenue
Knowlhill
Milton Keynes
MK5 8HJ

Bankers

Lloyds Bank plc
City Office
11–15 Monument Street
London
EC3V 9JA

Registrars

EQ
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Godalming office:
Huxley House
Weyside Park
Catteshall Lane
Godalming
Surrey GU7 1XE

Milton Keynes office:
Building 3 Caldecotte Lake Business Park
Caldecotte Lake Drive
Milton Keynes MK7 8LF

01908 278450

www.triad.co.uk