THRUVISION

PEOPLE-SCREENING

Annual Report and Accounts 2022

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Headlines

- Revenue of £8.4 million (2021: £6.7 million), with an operating loss before tax of £1.9 million (2021: £2.8 million loss);
- Adjusted loss before tax* of £2.3 million (2021: £2.3 million);
- Gross margin at 47% (2021: 48%) and Overheads** increased to £5.6 million (2021: £4.8 million), with Overheads as a percentage of Revenue falling to 67% (2021: 71%);
- Cash at 31 March 2022 of £5.4 million (31 March 2021: £7.3 million);
- Significant growth in Profit Protection revenue which grew 73% (2021: 49%) to reach 45% of total Group revenues, with 7 new customers including Tesco, European online retailer Zalando and a major US alcohol distributor; and
- Revenues from the Customs sector were in line with prior year and we remain heavily engaged with US Customs and Border Protection in upgrading their Thruvision fleet.

* Adjusted loss before tax is defined as loss before tax from continuing operations after deducting Share-based payment credit, or by adding back the Share-based payment charge.

** Total Administration costs excluding Depreciation and Amortisation, Share-based payments and Foreign Exchange.

Strategic report

Chairman's statement

Introduction
As the many pandemic-related restrictions were progressively lifted through the year, our business performance improved and I am very pleased to report that the Group returned to growth in the year. Driven by a very strong second half, with Profit Protection performing particularly well, the Group grew overall revenues by 25% to £8.4 million (2021: £6.7 million). We supported this growth from our own cash resources and, at 31 March 2022, cash in hand was £5.4 million (2021: £7.3 million).

As with last year, Profit Protection and Customs delivered over 90% of revenue and, for different reasons, these markets proved to be resilient to the effects of the ongoing pandemic. They remain the key future growth drivers for the Group and their complementary characteristics should provide a resilient platform for continued growth even in the more challenging macro-economic environment.

Profit Protection
Our Profit Protection business has benefited significantly from the trend towards online retail and home delivery, which was accelerated by the pandemic. Our technology is used successfully by market leaders including Next, Tesco, The Hut Group and CEVA to screen many thousands of employees every day to detect and deter theft from the large number of Distribution Centres ('DCs') that lie at the heart of the online delivery infrastructure. Comprising a large number of retailers and home delivery partners, who operate (by our estimates) in excess of 20,000 DCs across the UK, US and Europe, the Profit Protection market represents our single biggest strategic opportunity although short-term prospects here are inevitably dependent on the health of the broader retail market. We recorded revenue growth in Profit Protection of 73% in the period, increasing Profit Protection to some 45% of total Group revenue (2021: 32%), and since the end of the year have secured our first sale with another global Third-Party Logistics provider (3PL).

Customs
International Customs agencies have historically been our largest market, and 9 different national agencies use our equipment globally to detect drugs, cash and other contraband being smuggled as travellers cross international borders. Our biggest end-customer is US Customs and Border Protection ('CBP') which in prior years has purchased a significant fleet of cameras. These were fully deployed on the Southern Border during the summer of 2021 to enable management of the very high levels of migration experienced there. This close engagement proved the significant value of our solution, both in terms of actual seizures of drugs and cash, and the very positive feedback from front-line officers. As a result, we delivered material revenue in the second half to start the process of upgrading CBP's existing 8-channel cameras to the latest 16-channel model. We expect this upgrade process to deliver further revenue in FY23.

In addition, CBP has made public its intentions to purchase additional "passive pedestrian scanners" and we expect this process to commence at some point during FY23. With other international Customs agencies now restarting procurements which were delayed by the pandemic, we remain optimistic about our prospects in this market.

Other markets
Our other markets, Aviation and Entrance Security, remained subdued due to the on-going effects of pandemic related restrictions. Some further progress has been made through the US Government's Transportation Security Administration ('TSA') aviation accreditation process, although this was significantly delayed by the pandemic, and we started a similar process with the Israeli Government. As confirmed recently by US Congress, contactless aviation security remains an important post-COVID priority. With the global aviation market continuing to recover we will maintain our focus on gaining appropriate accreditations to enter this regulated market fully.

Supply chain
Like other technology and manufacturing businesses, the combined effect of the pandemic and Russia's invasion of Ukraine has negatively impacted supply chains. While this has had little effect on our mostly UK-based Terahertz specialist suppliers, we have had to redesign aspects of our cameras to accommodate various substitute commercial components. We forward-purchased these where necessary during late FY22 and early FY23 in order to protect production capacity and drew on our cash reserves accordingly. We have seen some raw material price inflation starting to feed through but at this stage we are confident this can be managed. Overall, whilst supply chain issues consumed significant effort by our team, they did not affect our production capacity or schedules.

Board changes
I was delighted to announce the addition of another Independent Non-Executive Director, Katrina Nurse, to our Board with effect from 1 April 2022. Katrina is a highly experienced CFO from the retail sector with a track record in growing businesses including Selfridges, Pentland Group, Arcadia Group and most recently Asda. Katrina joined the Audit and Nomination Committees and will chair the Remuneration Committee from the conclusion of the forthcoming AGM.

After three years with the business, Adrian Crockett, our CFO, left the Company in April 2022. He will be replaced on the Board by Victoria Balchin who starts in October 2022 with an interim currently fulfilling this role. Victoria brings significant relevant experience to the Group. She qualified as a chartered accountant with PwC and has held a number of finance roles with British Sky Broadcasting Group plc, SABMiller plc, Spectris plc and Brüel & Kjær Vibro, a Spectris business headquartered in Germany.

Outlook

The Group operates in markets which are subject to different macro-economic pressures and, as demonstrated through the pandemic, this diversity has given our performance a good level of resilience. With the broader economic outlook looking challenging, we continue to see this diversification as a strength.

The Board therefore believes that the Group is well positioned to deliver good growth this year and into the future. We expect this growth to move us materially towards our short-term objective of breaking even in both profit and cash generation terms and we continue to manage our investments and cost base to match our anticipated growth with this objective in mind.

The first half of the new year has been challenging for the Profit Protection segment as retailers reacted to the changing economic climate. However, activity levels in this area are picking up as retailers identify the significant benefits of our solution to a number of the challenges they are facing. With revenue from both the Profit Protection and Customs markets expected to continue growing, the Board is confident that the Group is well positioned to deliver good growth this year and into the future.

Strategic update

Business focus and competitive differentiation

Thruvision addresses the growing international need to safely, quickly and comprehensively security-screen individuals for weapons, contraband or other illicit metallic and non-metallic items that might be concealed in or under their clothing. The two most widely deployed existing technologies, metal detectors and airport body scanners, do not meet this need. Critically, both these technologies require close-proximity physical searches to resolve alarms and, in the former case, detect only metallic objects. These intrusive body searches have always been undesirable but the COVID pandemic forced security organisations globally to re-evaluate the safety implications of such 'pat down' searches and many are now looking for new capabilities to deliver contactless security.

Thruvision comprehensively solves this problem. By allowing a security guard to see concealed items of any material, as small as 3cm by 3cm, and from a safe distance of 3 metres, Thruvision completely removes the need for physical search. This combination of safe distance, contactless operation with reliable, high-throughput and comprehensive detection is unique to Thruvision and we have not yet identified a competing solution with comparable performance.

Macro-economic update

The broader economic climate changed significantly through the course of the year. The negative effects of COVID started to recede in spring 2021 and by Christmas had broadly disappeared. The aviation sector started opening up, albeit seriously under-staffed, and major in-person events restarted. Offsetting these positive developments were the wide-ranging supply-chain shortages caused by the pandemic and prolonged lock-downs in China. The Russian invasion of Ukraine in February 2022 sent a fresh set of shockwaves through the global economy and further exacerbated global supply-chain issues. The surge in inflation, driven in large part by higher energy costs, is impacting consumer confidence and the retail sector.

Specific market sector updates

Profit Protection

As a result of the pandemic, we have seen continued strong interest and a growing uptake from a wide range of retailers and their third-party logistics partners in this market. Our customers use our technology to detect and deter theft in their Distribution Centres ('DCs') where typically many millions of pounds of stock are held and many hundreds of employees work on each shift. We estimate there are in excess of 20,000 DCs across the UK, US and Europe, meaning Profit Protection represents our single biggest market opportunity.

Almost all items being stolen from DCs by employees are non-metallic. This means normal exit security comprising guards with either walk-through or handheld metal detectors are completely ineffective, in addition to being slow and unpopular with employees. COVID safety concerns resulted in a fresh push towards "contactless" security and more recent economic headwinds have both driven up theft levels and emphasised the need for faster, less intrusive security procedures which is a significant differentiator in a highly competitive market for scarce staff.

Despite the worsening economic situation, a number of our key customers continue to expand and upgrade their fleets of Thruvision cameras on the strength of the deterrent effect, to counter increasing levels of employee theft, and consequent faster return on investment. Although currently harder, we are still able to win new customers, with a major global Third-Party Logistics ('3PL') provider which is headquartered in Germany, the latest organisation to invest in Thruvision as part of its DC security capability.

Customs

This is a well-established market for Thruvision, where we screen travellers at border checkpoints for predominantly non-metallic, prohibited items such as cash and drugs. We saw the pandemic-induced slowdown extend through much of calendar year 2021 as Customs agencies operations continued to be affected by various lock-downs, sickness and other factors.

The exception to this trend was US Customs and Border Protection ('CBP') where we were very active throughout the year in deploying cameras they had previously purchased and in training many hundreds of officers in their use along the Southern Border. Operational feedback was very strong and Thruvision has since been used highly successfully by CBP to detect on-person smuggling of prohibited substances and cash. The process of upgrading CBP's Thruvision fleet to our latest model is now well underway and future order flow is expected to further expand the CBP fleet.

Aviation
We continued the process to obtain TSA accreditation to allow Thruvision to enter the regulated international aviation security market. However, pandemic-related after-effects have caused some major challenges in getting the aviation sector back to anywhere close to full effectiveness. This problem has extended into US equipment accreditation where a combination of TSA COVID-related safety controls in US Government facilities, followed by delays in passing the US Federal Government spending bills, caused major delays to the restarting of all equipment testing. We also started a similar process with the Israeli Government. Despite these challenges, we remain engaged with TSA and, should we be successful in obtaining accreditation, this will open the door to the regulated aviation security market to those countries that require TSA accreditation for their airport security equipment.

Entrance Security
This sector focuses on checking that people entering facilities are not carrying prohibited items which, in most cases, means weapons of various types. Such facilities include public and private buildings, entertainment venues, places of worship, prisons, and this sector now includes surface transport hubs which we previously reported on separately.

Geographically, our customers have tended to be mostly located in Asia and the Middle East and demand has remained suppressed due to the effects of the pandemic. However, a number of enquires have recently been received in respect of several dormant opportunities in these regions.

Global supply-chain issues
The after-effects of the pandemic and the subsequent supply chain issues caused by the war in Ukraine are well documented. We have worked hard with our specialist Terahertz component suppliers to maintain surety of supply for the very specific and even unique components we require. Like others, we have been fully exposed to global shortages of more mainstream electronics but have managed this situation effectively by holding higher than normal levels of inventory to mitigate delivery risk.

Summary
As reported last year, our strategy remains to ensure we commit sufficient resources to Profit Protection sales & marketing to capitalise on the opportunity this very large, international and growing market presents. We are mindful of the strengthening economic headwinds in which our customers operate and the impact that could have on investment decisions in the short term. However, we believe our solution offers a very real and rapid return on investment by reducing theft and supporting employee retention which can help our customers manage their profitability in difficult times.

Equally, we are seeing a recovery in interest from a broader range of international government customers and believe we are very well placed to achieve real scale with CBP over the coming years. With this in mind, we will continue to concentrate on the international Customs agency market, work with Asian and Middle Eastern government agencies as programmes remobilise and respond quickly to aviation accreditation testing as it restarts.

Business review

Summary
Our revenue grew by 25% to £8.4 million (2021: £6.7 million) in the period, with new equipment sales growing at 35% to £7.7 million (2021: £5.7 million). Within this, Profit Protection grew very strongly and Customs remained flat, but together again accounted for 92% of Group revenue (2021: 92%). Support and Development revenues remained healthy at £0.7 million (2021: £1.0 million).

Profit Protection
Performance in our Profit Protection sector was very strong and continued to be driven by a shift to online sales and home delivery, accelerated by the pandemic. We added 7 new customers in the period, and our revenues grew by 73% to £3.8 million (2021: £2.2 million and 49%), and now represents some 45% of total revenue (2021: 32%).

After an extended and ultimately very successful trial, Tesco became the second major UK grocer to purchase our technology and we completed the rollout of that significant order late in the period. Other new customers included the large European online retailer, Zalando, and a large US alcohol distributor.

Another feature of the year saw long-standing customers such as Next and Boots start to replace their older Thruvision cameras with our latest products to be used in either single camera configurations, or in pairs as part of new, high-throughput screening lanes. This latter “walk through” capability, incorporating our new AI-based detection algorithm, allows customers to screen 100% of employees at shift change without causing exit delays. This maximises the theft deterrence, without inconveniencing staff, the benefits of which rapidly exceed the additional investment.

CEVA, a global Third-Party Logistics (‘3PL’) provider, has adopted Thruvision as a standard element in its security offering for its potential new customers. In FY23, we have added a major global 3PL, which is headquartered in Germany, as an additional customer. Adding such large organisations to our customer list is an important part of our sales strategy as, once we are established in such businesses, we are able to cross-sell to new sites more easily, reducing sales cycle times and overall cost of sale, and seeding our geographic expansion.

We continued to work with industry bodies including the US Loss Prevention Foundation, the Transported Asset Protection Association (‘TAPA’) in Europe, and an increasing number of large-scale security integrators including Securitas in the UK and Europe, and Vector Security in the US.

Customs
Despite the prolonged impact of COVID through much of 2021 affecting a broader set of international Customs agency opportunities, we still delivered revenues of £3.9 million from our Customs sector (2021: £4.0 million). These revenues were almost entirely derived from CBP.

As mentioned in the Strategic update, we provided significant training support to CBP once lock-down restrictions lifted on the Southern Border and received positive operational feedback as the 8-channel cameras that CBP had previously purchased were rolled-out under a newly approved Department of Homeland Security "Pedestrian Detect-at-Range" Privacy Impact Policy. This rollout generated operational seizures of drugs and cash and significant interest in our latest higher definition 16-channel camera running our new AI-based detection algorithm.

This led to the commencement of a programme in Q4 FY22 to upgrade CBP's 8-channel fleet to our latest model which delivered the revenues, via our US Government contracting partner, set out above. This programme continues and will deliver further revenue in FY23. In addition, CBP has made public its intentions to purchase additional "passive pedestrian scanners" and we expect this to commence at some point during FY23.

It is also the case that several of the delayed Customs opportunities in other countries have started progressing again now that most international travel restrictions have been lifted and this supports our expectation of further sales in the coming year.

Aviation
There was minimal sales activity in this sector through the year, with revenues of £0.2 million (2021: £0.3 million). Discussions held with the US aviation sector in particular have revealed that investment in security is currently a low priority as the industry attempts to recover from the financial damage caused by the pandemic and we have low expectations for any meaningful growth in revenue in the short to medium term.

As discussed in the Strategic update, our focus is ensuring that we respond quickly to the restarting of the TSA accreditation process, and actioning feedback from the Israeli Government preliminary test findings. In the meantime, pre-pandemic opportunities with individual US airports for staff screening are starting to move again.

Entrance Security
There was very little sales activity in this sector through the year, with modest revenues of £0.5 million (2021: £0.2 million). Again, this was a direct consequence of our lack of ability to travel during the pandemic and the subdued demand levels from customers, especially in the Middle East and Asia.

As discussed in the Strategic update, we have started to see renewed interest from organisations in these regions again, and some specific opportunities with retail and logistics customers in the US who are equally interested in both inbound weapons screening and outbound theft prevention.

Support and Development
Revenues in this sector were £0.7 million (2021: £1.0 million). Some £0.6 million (2021: £0.8 million) came from support contracts and the balance was from minor customer-funded R&D projects.

Routes to market
As previously reported, where we have a geographic presence (predominantly the US and UK), we continue to sell directly to end customers. However, as reported in the Profit Protection update above, we are starting to work more closely with large-scale security system integrators in this sector to increase our market penetration and speed-up sales cycles.

Outside of the UK, Europe and US, we work with a range of smaller Value-Added Resellers across a broader set of international markets. Each of these tends to bring very specific domain expertise and each is typically focused on specific foreign government departments of interest to us.

New product development
We have been very encouraged by the uptake of the new range of products launched in 2020.

Our Loss Prevention Camera ('LPC') range is optimised for the needs of the Profit Protection market and customers predominantly bought our standard 8-channel product ('the LPC8'). However, some customers with more demanding detection needs opted for the higher-priced 16-channel variant ('the LPC16') and, towards the end of the period, Next became our first customer for a dual LPC16 camera walk-through screening lane, with both cameras running our new AI detection algorithm to assist operators. We also saw a number of customers upgrade their older generation TS4 cameras for LPC8s.

Customs agencies continued to focus on the Tactical Awareness Camera ('TAC'), which provides the extra flexibility needed for a broader set of operational scenarios. The programme to upgrade CBP's 8-channel TAC8 cameras to 16-channel TAC16s started in the period and we expect will ultimately result in CBP's full fleet comprising TAC16s running our AI algorithm.

Our main Research and Development ('R&D') activities in the year have been aimed at re-architecting our image processing capability in preparation for a series of further significant improvements to our technology. This will not only utilise improvements in our Terahertz imaging capability but will also incorporate the latest IP video camera technology and develop our AI capability. These enhancements will result in higher performance systems which are even easier to operate.

Competition
We continue to see limited competitive activity from our competitor set that comprises metal detectors, active millimetre wave airport body scanners, and passive Terahertz cameras. One airport body scanner company has started marketing more to the Profit Protection sector in response to our success and, in a head-to-head competition, our system delivered much higher employee throughput, with excellent detection performance and very few false alarms. In the passive Terahertz field, one small European competitor ceased trading and in China a potential competitor has been marketing a product but we have yet to see any evidence of its deployment anywhere. At this time, we remain very confident that we are the clear market leader in our field.

Manufacturing and support
Our manufacturing capability and supply chain has continued to be highly effective. Like many other businesses, we have seen shortages of various types of commercial electronics and that has required some level of redesign and consumed resources. Whilst we remain vigilant, we do not currently foresee any material problem in this area moving forward. However, we have worked very closely with suppliers of the highly specialised Terahertz components we require to guarantee availability moving forwards. In a couple of specific areas we bought components ahead of forecast demand to guarantee availability.

Our post-sales support has now matured and been extended out to partners and we remain confident about the reliability of our equipment.

IP protection
We continue to invest in the R&D of the Thruvision product range and, where appropriate, suitable patent protection is put in place. During the year the two patent applications, submitted in 2019, continued to be assessed in accordance with the normal global patent application process. In addition, and post year-end, a provisional patent application was successfully filed in respect of further improvements in software image processing discussed above.

People
We increased average headcount from 40 to 43 staff during the year. This increase was again predominantly in Sales and Sales Support but also included a strengthening of our software R&D capability.

Financial review

Summary
During the year ended 31 March 2022, revenues increased by 25% to £8.4 million (2021: £6.7 million), resulting in a reduced operating loss of £1.9 million (2021: £2.8 million loss).

The Directors use Adjusted loss before tax as an important measure of the performance of the business. The Group recorded an Adjusted loss before tax of £2.3 million (2021: £2.3 million loss). This was calculated as follows:

	2022 £'000	2021 £'000
Loss before tax	**(1,889)**	(2,756)
Share-based payments (credit)/charge	**(366)**	409
Adjusted loss before tax for the year	**(2,255)**	(2,347)

Further details on the above are provided in note 4 on page 59.

We continued the trend of selling more high specification products in both our Customs and Profit Protection markets and expect this to continue. Gross profit increased to £3.9 million (2021: £3.2 million) although gross margin reduced slightly to 47% (2021: 48%) as a result of an increased proportion of revenue from equipment sales relative to support.

During the year, we invested in our Profit Protection sales team to drive further growth, and headcount increased as a result of this. The associated cost impact was mitigated by continued effective control of Overheads (as defined in the section entitled Total Administration costs), which increased to £5.6 million (2021: £4.8 million), but fell as a percentage of Revenue to 67% (2021: 71%).

The Group total average headcount increased by three to 43.

Key Performance Indicators ('KPIs')
The Board considers the following to be the most effective KPIs for managing and tracking the trading performance of the business.

The performance indicators selected represent the most important determinants of maximising our cash generation and retention, and therefore value creation for the future. Establishing the optimum levels of overhead expenditure and employee numbers is also critical for investing in a robust business and realising our growth potential. Monitoring and maintaining the appropriate amount of inventories ensures we match efficiency of sensible working capital management with the agility to deliver new orders on a timely basis.

KPIs

	2022 £'000	2021 £'000
Revenue	**8,361**	6,700
Gross profit	**3,902**	3,214
Gross margin	**47%**	48%
Overheads*	**(5,600)**	(4,764)
Adjusted loss before tax	**(2,255)**	(2,347)
Average number of employees	**43**	40
Inventories at year end	**3,868**	4,419

* Excludes Depreciation and amortisation, Share-based payments and Foreign exchange.

Revenue
The analysis of total revenue by type and sector is shown in the tables below:

Revenue by Type	**2022 £'000**	2021 £'000	% movement
Equipment revenue	**7,667**	5,678	35
Support and development revenue	**694**	1,022	(32)
Total	**8,361**	6,700	25

Revenue by Sector	**2022 £'000**	2021 £'000	% movement
Profit Protection	**3,756**	2,165	73
Customs	**3,947**	4,011	(2)
Aviation	**179**	299	(40)
Entrance Security	**479**	225	113
Total	**8,361**	6,700	25

Gross profit

The analysis of total Gross profit and Gross margin by revenue type is shown in the table below:

Gross Margin	2022 £'000	% movement	2021 £'000	% movement
Equipment gross profit	**3,282**	43%	2,416	43%
Support and development gross profit	**620**	89%	798	78%
Total gross profit	**3,902**	47%	3,214	48%

The small decrease in gross margin to 47% (2021: 48%) was due to an increased proportion of revenue from equipment sales relative to support.

Total Administration costs

Total Administration costs comprising Overheads, Depreciation and amortisation, Share-based payments and Foreign exchange reduced to £5.8 million (2021: £6.0 million).

Overheads increased to £5.6 million (2021: £4.8 million) for the year, although our ratio of Overheads to Revenue fell to 67% (2021: 71%) demonstrating an element of operational gearing in the business. With Property and administration and Management costs remaining flat with the prior year, investment in our cost base was focused on expanding our Profit Protection sales team in the US and Europe, with the additional travel and marketing costs this entails, recruiting a new VP Software Development to lead our ever more important software R&D programme, and adding a Production Technician. Plc costs include £91k of professional costs with regards the liquidation of dormant subsidiaries as mentioned in note 27 on page 76.

Total Administration costs	2022 £'000	2021 £'000
Engineering	**1,690**	1,403
Sales and marketing	**2,006**	1,718
Property and administration	**502**	469
Management	**708**	642
Plc costs	**694**	532
Overheads	**5,600**	4,764
Depreciation and amortisation (see notes 10 and 11)	**561**	518
Share-based payment (credit)/charge (see note 18)	**(366)**	409
Foreign exchange (gain)/loss (see note 3)	**(6)**	329
Total Administration costs	**5,789**	6,020

Our expenditure is monitored closely and continually throughout the trading year as we retain the agility to manage costs incurred when reacting quickly to market conditions and opportunities.

Inventories

Inventories at 31 March 2022 stood at £3.9 million (31 March 2021: £4.4 million). However, given the already worsening global supply-chain shortages discussed more fully in the Strategic update, the Board started the process of forward purchasing scarce or long-lead time items towards the end of the reporting period. This was to ensure that production levels could be maintained through the first few months of calendar year 2022 and this policy has continued since 31 March 2022.

Cash

The Group's cash and cash equivalents at 31 March 2022 were £5.4 million (2021: £7.3 million).

The overall cash outflow of £1.8 million during the year resulted principally from the operating loss incurred, the impact of which was mitigated by careful working capital management.

Trade and other receivables

The £0.5 million increase in trade receivables was due to the timing of material sales realised in the final month of the year.

Deferred revenue

Deferred revenue decreased from £1.3 million as at 31 March 2021 to £0.7 million at 31 March 2022. This resulted from the monthly recognition of income on two large US governmental support contracts won in previous years.

Adjusted operating loss before tax

The Adjusted operating loss for operations before tax and share based payments but including depreciation, foreign exchange and interest, amounted to a £2.3 million loss (2021: £2.3 million loss).

Taxation

At 31 March 2022, the Group had unutilised tax losses carried forward of approximately £14.0 million (2021: £13.0 million), of which £7.2 million (2021: £6.7 million) relate to trading losses available indefinitely for offset against future taxable trading profits. The remaining losses are attributable to Thruvision Group plc and, because the Company does not carry out a trade, these losses are only available to offset against future profits of the Company.

Given the uncertainty regarding the expected utilisation of these losses the Group has not recognised any associated deferred tax assets. See note 8 for further details. At 31 March 2022, the Group had no net deferred tax liability (2021: £nil).

The income statement tax credit for the year of £231k (2021: £266k) relates predominantly to a R&D tax credit reclaim.

Currency impact

The Group recorded a £6k foreign currency exchange gain (2021: £329k loss) resulting principally from US dollar transactions.

Principal risks and uncertainties

The Audit Committee and the Board review and consider the primary risks that may affect the business three times a year and where possible mitigating actions are agreed and implemented.

The Directors believe the following risks to be the most significant for the Group. However, the risks listed do not necessarily comprise all those associated with the Group. In particular, the Group's performance may be affected by changes in market, political or economic conditions and by legal, regulatory and tax requirements.

If any of the following risks were to materialise, the Group's business, financial condition, results or future operations could be materially adversely affected. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Group.

Risks relating to the Group's business

UK and International sales growth
The Group's growth ambitions depend on its ability to continue expanding its operations in the UK, US and European Profit Protection sectors, and to sell and support to a range of international government customers. This will place significant demands on management, sales, marketing, technical support, financial control, and other resources, all of which are made more difficult and prone to risk due to the increasing uncertainty in the global economy caused by residual COVID restrictions and the war in Ukraine.

Mitigation
The Group has added further sales capacity in both the US and EU and strengthened US Profit Protection Sales leadership in order to enhance sales and marketing expertise in those regions. The sales pipeline is monitored on a weekly basis in order that sales performance below expectation can be identified and actions taken quickly to rectify issues as they arise. Monthly Management team meetings focus on broader business performance. Together, these constitute the formal management reporting structure into the Board that ensures issues are identified early and remedial action taken where appropriate.

A robust recruitment process is in place for all Group employees ensuring that required skills are available to the Group to facilitate UK and international sales and expansion.

Government spending
A significant portion of the Group's revenues are generated from international government agencies. Continued delays to various government agency procurement timescales in light of the current global economic uncertainties or other reasons, may materially and adversely affect the Group's business, operating results or financial condition. In addition, the long and protracted sales cycles of some governments could adversely impact forecast sales in any given period.

Mitigation
It is the strategy of the Group to widen the client base, principally by a growing focus on the bigger, less concentrated Profit Protection market, and to diversify Group revenue whilst maintaining appropriate relationships with central government both within the UK and in other territories.

Availability of capital and cash flow
In order to enable the Group to progress through further stages of development it may be desirable for the Group to raise additional capital and there can be no assurance that such funding, if required, will be available to the Group. Further, the availability of long or short-term bank debt will depend on the Group's progress with stated strategy and trading prospects.

Mitigation
At 31 March 2022, cash of £5.4 million was available to the Group from its own resources. It is expected that this will be sufficient to fulfil the short to medium-term needs of the Group and that the Group is expected to become cash generative in the medium term.

TSA accreditation
A significant delay in achieving TSA accreditation will slow the Group's entry into the highly regulated aviation passenger checkpoint market. Such a delay may be caused by the need for further product development or for reasons outside the Group's control.

Mitigation
The Group will continue to work closely with the accrediting authorities to respond quickly to feedback and undertake any necessary product development work as quickly as possible.

Dependence upon key intellectual property
The Group's success depends in part on its ability to protect its rights in its intellectual property. It may be possible for third parties to obtain and use the Group's intellectual property without the Group's authorisation and as such the Group may become involved in litigation which could be costly and time consuming.

Mitigation
The Group relies upon various intellectual property protections, including patents, copyright, trademarks, trade secrets and contractual provisions to preserve its intellectual property rights. Patent protection is currently being enhanced by way of patent registration applications in key geographies to ensure the Group is adequately protected in the most appropriate manner at all times.

Competition
The Group has experienced, and expects to continue to experience, competition from a number of companies. This competition may take the form of new products and services that better meet industry needs and competitors who respond more quickly to client requirements. In addition, competitors may have greater financial or technical resources than the Group.

Mitigation
A careful watching brief is maintained on competitors to enable the Group to react quickly to any change in circumstance or technical developments. In addition, we work closely with our clients to ensure that we understand their requirements and market dynamics to ensure existing products are being developed and utilised in new and innovative ways to meet client needs and achieve differentiation.

Manufacturing capacity
The Group's manufacturing capability is based at its Oxfordshire facility and loss of this facility would cause a short-term impact on the ability to manufacture and hence deliver Thruvision units. In addition, the current global supply chain issues being experienced could impact manufacturing capability and should a significant increase in demand be experienced the Group would need to scale the manufacturing capacity to meet this demand.

Mitigation
Where possible, subsystems are outsourced to third parties and a number of different manufacturing partners have been engaged. This includes a specialist contractor in the US which is now able to fully assemble and test systems ready for sale to the US market. The Group continually reviews the position to ensure that the supply chain risks arising either from the availability of key components, loss of a key supplier or facility, or a significant increase in demand would not have a significant effect on the Group's ability to manufacture and deliver Thruvision products or meet market demand. Where necessary, the Group may elect to use its cash resources to purchase a sufficient volume of specific components in order to maintain forecast production levels. The ability to manufacture ahead of planned levels has been successfully tested in previous financial years.

Key management and employees
The Group depends on the Directors and other senior managers with specific sector and industry knowledge, and in addition on the recruitment and retention of the services of its key technical, sales, marketing and management personnel. Competition for such personnel can be intense, and the Group cannot give assurances that it will be able to attract or retain such staff.

Mitigation
The Remuneration Committee annually reviews the appropriate remuneration structure and median market levels in respect of the Executive Directors and senior managers. It has also met recently to update the Company's remuneration policy to ensure it remains competitive and aligned with our objectives.

A robust recruitment process is in place for all Group employees ensuring that required skills are available to the Group. In addition, an internal performance review process has been established to ensure, as far as possible, that employees are motivated and that suitable remuneration structures are in place.

Section 172 disclosures

The Group is required to make various disclosures under Section 172 of the Companies Act 2006. In particular the Board is required to promote the long term success of the Company for all stakeholders. All decisions taken by both the Board and the Management team take due regard of the longer-term impact of that decision on the success of the Group, the impact on wider stakeholders and the impact of business operations on wider society. As far as possible all stakeholders are treated equally and fairly but it is not always possible to balance the interests of the Group with those of all stakeholders and accordingly it is not always possible to fully align the interests of all stakeholders.

Other required disclosures are given below.

Employees
At 31 March 2022, the Group employed 35 people in the UK, 7 in the US, 2 in Poland and 2 in the Netherlands, and depends on the skills and commitment of its employees in order to achieve its objectives. Personnel at every level are encouraged to make their fullest possible contribution to the success of Thruvision.

Employees are kept regularly informed on matters affecting them and on issues affecting the Group's performance primarily through office briefings, all staff video calls, email updates and one-to-one meetings.

The Group introduced its existing LTIP for certain employees in 2010 and updated the LTIP for a further period of 10 years at the AGM held in September 2020. Full details of awards under the scheme and associated performance conditions are given in the Remuneration report on pages 25 to 31.

Most employees participate in the LTIP via Share Option awards made on joining the Company and on a discretionary basis thereafter. In addition, the Group operates a Sharesave SAYE Share Option Scheme in which all UK-based employees are able to participate. The scheme is normally launched annually after the announcement of interim or final results.

The Board is committed to ensuring that a culture free from discrimination and harassment remains embedded within the Group and discrimination of any sort is not tolerated and that human rights are fully respected including full compliance with all laws and regulations. Proper consideration is given to applications for employment from disabled people who are employed whenever suitable vacancies arise. Wherever practicable, staff who become disabled during employment are retained. The Group practises equality of opportunity for all employees, irrespective of ethnic origin, religion, political opinion, gender, marital status, disability, age or sexual orientation.

Corporate responsibility
The Board recognises the importance of relationships with the wider community and its obligations to employees, shareholders, customers, suppliers, the environment, the local community and others.

Through procedures and policies that are currently in place, Thruvision aims to:

- meet all legislative requirements in respect of environmental issues and recent actions in this regard are detailed below;
- adopt the highest standards of Corporate Governance and disclosure. Full details of the governance process and procedures within the Group are given in the Corporate Governance report on pages 17 to 24;
- adopt the highest standards of business ethics. The Group has a detailed policy relating to anti-bribery and anti-corruption and will not tolerate such behaviour in any form. All senior management and sales executives are required to certify, at least every six months, that they are not aware of any behaviour transgressing these policies. In addition, all suppliers, sub contractors, and other business partners are required, under contract, to comply with these policies; and
- support community initiatives including those implemented by the landlord of the Milton Park property and support for employee fundraising initiatives.

Environmental responsibility
All management actions and decisions are taken with the environmental impact being given full consideration.

We maintain an outsourced component procurement and manufacturing capability of Thruvision units, via a subcontractor, in the US thus negating the requirement to transport units from the UK to this major market. We would expect to implement a similar policy should other regions provide sufficient volume to warrant this investment.

During the pandemic we experienced a significant reduction in air travel. Clearly this has been driven by COVID-19 but we now understand that our teams do not need to travel as much as previously. As a result of the inability to travel, alternative working methods and processes have been developed which are working well and again, in some cases, will negate the future need to travel. It is our intention to maintain a reduction in air travel by at least 30% compared to pre-COVID levels.

All new company vehicles must be low CO_2 emission vehicles and charging points are provided to all staff, free of charge, at our UK office in Didcot. We are currently considering the practicality of installing solar panels at our Didcot facility.

In addition to the above we maintain and are enhancing the use of video and audio-conferencing facilities where possible, the use of electronic communications to reduce the amount of printing waste produced, the recycling of waste where possible, and the purchase of paper and other products that are manufactured from recycled products.

Overall, the Board believes that the environmental impact of the Group's operations is low and consists mainly of building occupancy, business travel, including a small number of company vehicles, and IT.

Social responsibility
The Board recognises that the Company has responsibilities to its employees which extend beyond the strictly legal and we aim to treat everyone who works for the Company with respect and in a supportive manner. We also recognise that we have broader societal responsibilities and aim to be a good corporate citizen.

The Company is an equal opportunity employer with a detailed policy, available to all employees, in place and monitored by the Company Secretary. All employees are treated equally in respect of pay and benefits and all recruitment and pay recommendations are reviewed, prior to implementation, by the Senior Management team and independently by the Company Secretary to ensure all management actions taken are in line with this policy.

It is acknowledged that the employee base lacks diversity. During the year, all recruitment discussions and decisions were taken with this in mind. However, it was not always possible to recruit to enhance diversity within the business given the pool of candidates available at the time of recruitment. It is expected that a number of senior and junior roles will be recruited in the coming year and the Board has agreed that diversity must be an important consideration in any recruitment decision.

Tom Black
Chairman

Colin Evans
Chief Executive

29 September 2022

Directors’ biographies

Tom Black, (62) Executive Chairman

Tom was appointed a Director on 8 February 2010 and is the Executive Chairman of Thruvision Group plc. Prior to joining the Company, Tom spent over 20 years with Detica Group plc, where he led the management buyout in 1997 and the Group’s flotation on the London Stock Exchange in April 2002. He then oversaw the acquisition of Detica by BAE Systems in 2008. He is also currently the Non-Executive Chairman of Herald Investment Trust plc and a Trustee of the Black Family Charitable Trust and the Edward Barnsley Educational Trust. Tom is a member of the Remuneration, Nomination and Audit Committees of Thruvision Group plc.

Richard Amos, (55) Non-Executive Director

Richard was appointed a Non-Executive Director on 1 March 2021. He is a qualified Chartered Accountant who started his career at EY in 1988 and has subsequently served in a number of senior finance roles. Richard has served on the boards of five companies listed on the London Stock Exchange, most recently as CFO of Wilmington plc (2018 to 2020), CFO of Plant Impact plc (2016 to 2018) and Group Finance Director of Anite plc (2009 to 2015). He is currently Non-Executive Chair at Skillcast Group plc. Richard is the Chair of the Audit, Remuneration and Nomination Committees of Thruvision Group plc and the senior independent director.

John Woollhead, (61) Company Secretary

John was appointed Company Secretary on 13 April 2010 and is responsible for not only the core Governance and Company Secretarial function within the Group but also manages the HR, Insurance, Property, intellectual Property and a number of other functions. John qualified as a Chartered Secretary in 1987 and has previously acted as Company Secretary to Eve Group plc, Peterhouse Group plc and Detica Group plc. John is Secretary to the Board and acts as Secretary to the Board Committees.

Colin Evans, (54) Chief Executive Officer

Colin was appointed a Director on 8 February 2010 and was appointed Chief Executive of Thruvision Group plc on 1 November 2017, having previously served in a number of senior management positions. He is responsible for all aspects of the business and draws upon his 23 years’ experience delivering innovative new technology to the international security industry and, in particular, to the US Federal Government. Prior to joining Thruvision, Colin spent 15 years with Detica Group plc, where he was Group Chief Operating Officer. He is currently a Non-Executive Director at 6point6 Limited and Cloud Gateway Holdings Limited and their associated companies.

Katrina Nurse, (51) Non-Executive Director

Katrina was appointed a Non-Executive Director on 1 April 2022. She is a qualified Management Accountant with over 30 years’ experience in the retail sector, 20 of which operating at board level. Most recently she served as the VP George Clothing and VP Commercial Finance - Asda (2020-2022), CFO of Pentland Brands Ltd (2018-2020) and Finance Director of Selfridges Retail Ltd (2014-2018) prior to which she spent 25 years at the Arcadia Group where she served as Commercial Finance Director of Topshop/ Topman (2007-2013), Evans (2004-2007) and Wallis (2002-2003). A prominent female leader in her sector and profession, Katrina spent 7 years as Trustee of Women in Retail and currently serves as a voluntary NED of Fashion & Retail Awards, a subsidiary of the Fashion & Retail Academy, an educational establishment based in London. Katrina is currently a member of the Audit, Nomination and Remuneration Committees and from the conclusion of the AGM to be held on 26 October 2022, will chair the Remuneration Committee.

Chief Financial Officer

Victoria Balchin has been appointed Chief Financial Officer and will commence with the Company on 1 October 2022. In the meantime, and following the departure of Adrian Crockett on 14 April 2022, Chris Mann is retained as Interim Finance Director to cover the role until Victoria Balchin commences employment.

Directors’ report

The Directors of Thruvision Group plc (the ‘Company’) present the Annual Report to Shareholders together with the audited financial statements of the Company and its subsidiaries for the year ended 31 March 2022. In respect of compliance with all aspects of Corporate Governance, please see the separate Corporate Governance report on pages 17 to 24, which forms part of this Directors’ report.

The purpose of the Annual Report is to provide information to members of the Company. The Company, its Directors, employees, agents and advisors do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come, and any such responsibility or liability is expressly disclaimed. It contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results to differ from those currently anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this Annual Report and, except to the extent required by applicable regulations or by law, the Group undertakes no obligation to update these forward-looking statements. Nothing in this Annual Report should be construed as a profit forecast or guarantee of future results.

The Company is committed to appropriate standards of corporate governance as an efficient and effective approach to managing the Company and its subsidiaries.

The Company is not required to comply with the 2018 UK Corporate Governance Code (the ‘Code’) given the Company is listed on the AIM market of the London Stock Exchange. However, the Directors have agreed to adopt many of the principles contained in the Code. The Company formally reports against the Quoted Companies Alliance (‘QCA’) code on Corporate Governance and details are available on the Company website.

Principal activities

The principal activities of the Group are currently the development, manufacture and sale of passive people-screening technology to the global security market. Further information can be found within the Business review section on pages 4 to 6.

Future developments

The likely future developments of the Group can be found in the Strategic report on pages 2 to 10.

Going concern

The Board has taken the cashflow forecast for the period 1 September 2022 to 30 September 2023, reviewed the key assumptions unpinning the projection, and considered a range of downside scenarios to assess whether the business has adequate financial resources to continue operational existence and to meet liabilities as they fall due for a period of not less than 12 months from the approval of the financial statements.

In completing the above analysis the Board has reviewed the following:

- The current pipeline of potential sales opportunities, differentiating between existing customers and new customers, smaller sales and large, multi-unit sales. Potential scenarios included a general downgrading of smaller units sales volumes and the removal of larger sales for which confidence of securing an order was not already high based on customer interaction to date
- Market, political and recessionary economic trends that may adversely impact the prospects of revenue realisation from a broad range of customers in all geographical areas of operation
- The potential for supply chain issues to result in higher purchasing costs and reduced margins, or an inability to fulfil all orders received due to raw materials shortages
- An expectation of retaining a materially higher overheads cost base than the prior year, aligned to support a growing business
- General inflationary pressures that may have similar impacts on revenues and costs to those described above
- The availability of manufacturing facilities and the impact of unforeseen outages

Reverse stress testing has been performed to identify and analyse the circumstances under which the Group’s business would no longer be viable without recourse to new funding throughout the period reviewed. The testing undertaken applied various stresses simultaneously even though it would not be considered reasonable to expect all downsides to occur concurrently.

However, despite this assertion, the above modelling demonstrates that cash generation is sufficient for the business to remain a going concern, without recourse to alternative sources of finance, for the period to 30 September 2023.

Furthermore, it should be noted that in adverse circumstances various mitigating actions, not accounted for in the testing process, could be taken to maximise liquidity including, for example, a reduction of inventory levels and discretionary spend.

Overall, the Group is well placed to manage business risk effectively and the Board reviews the Group’s performance against budgets and forecasts on a regular basis to ensure action is taken where needed.

The Directors are satisfied that the Group has adequate resources to continue operating for a period of at least 12 months from the approval of these accounts. For this reason, they have adopted the going concern basis in preparing the financial statements.

Group results

The Group's Consolidated income statement set out on page 42 shows a loss before tax from continuing operations for the year of £1.9 million (2021: £2.8 million), and a loss for the year of £1.7 million (2021: £2.5 million). Details are given in the Financial review on pages 6 and 7.

Dividends

The Directors are not recommending a dividend in respect of the year ended 31 March 2022 (2021: £nil).

Governance

Thruvision Group plc is committed to maintaining high standards of corporate governance. The Group is not bound by the provisions of the Code, given it is listed on AIM. However, the Board endeavours, so far as is practicable, to comply with many of the principles of the Code. During the year under review, the Board has maintained the internal controls and processes to ensure as far as possible compliance with the Code.

In the period 1 April 2021 to 28 September 2021, the Board had two Non-Executive Directors, Richard Amos and Paul Taylor of which Richard Amos was independent. Paul Taylor completed 9 years service with the Company on 31 March 2021 and as such was not deemed independent from 1 April 2021. Paul Taylor stepped down from the Board on 28 September 2021. Katrina Nurse was appointed an Independent Non-Executive Director on 1 April 2022. Accordingly, in the period 1 April 2021 to 31 March 2022, the Board only had one Independent Director which is not in accordance with the Code or the Quoted Companies Alliance Corporate Governance code applicable to smaller businesses. However, due to the nature and complexity of the business and its current stage of development and the fact that an experienced and qualified Company Secretary is retained to ensure appropriate governance arrangements, the Board was satisfied that it had the right balance of Board membership during this period.

Further explanation of the high-level corporate governance principles is given in the Corporate governance section of this report on pages 17 to 24 and in connection with Directors' remuneration in the relevant section of the Remuneration report on pages 25 to 31.

It is the responsibility of the Board to prepare the Annual Report and Accounts. The Board considers that the Annual Report and Accounts, when taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

Share capital

The issued Share capital of the Company, together with details of movements in the Company's issued Share capital during the financial period, are shown in note 17 on page 65 to the financial statements. As at the date of this report, 147,165,718 Ordinary Shares of 1 pence each ('Ordinary Shares') were in issue and fully paid with an aggregate nominal value of £1,471,657.

On 28 August 2013, the Company was granted a Blocklisting authority over 600,000 Ordinary 1 pence Shares in order to satisfy awards that have vested and are capable of exercise under the Long-Term Incentive Plan. From 28 August 2013 to 31 March 2022, 395,500 Shares had been issued from the Blocklisting facility. Accordingly, at 31 March 2022, 204,500 (2021: 204,500) Shares remain outstanding to be issued from the Blocklisting facility. From 1 April 2022 to the date of this report, a further 105,000 Shares have been issued from the Blocklisting facility. On 13 June 2022, the Company was further granted a Blocklisting authority over an additional 2,000,000 Ordinary 1 penny Shares in order to satisfy awards that have vested and are capable of exercise under the Long-Term Incentive Plan. Accordingly, 2,099,500 Shares remaining outstanding under this Blocklisting facility at the date of this report.

On 27 October 2021, the Company was granted a Blocklisting authority over 1,281,600 Ordinary 1 pence Shares in order to satisfy awards that have vested and are capable of exercise under the Sharesave Share Option scheme. From 27 October 2021 to 31 March 2022, 810,000 Shares had been issued from the Blocklisting facility. Accordingly, at 31 March 2022, 471,600 (2021: nil) Shares remain outstanding to be issued from the Blocklisting facility. From 1 April 2022 to the date of this report the remaining 471,600 Shares have been issued from the Blocklisting facility. Accordingly, no Shares remaining outstanding under this Blocklisting facility at the date of this report and all vested options under the Sharesave Scheme have been exercised.

The holders of Ordinary Shares are entitled to receive the Company's reports and accounts, to attend and speak at general meetings of the Company, to appoint proxies and to exercise voting rights. To be effective, electronic and paper proxy appointments and voting instructions must be received at the Company's registered office, or such other place in the UK specified in the relevant notice of meeting, not later than 48 hours before a general meeting. Subject to applicable statutes, there are no restrictions on transfer or limitations on the holding of Ordinary Shares and no requirements for prior approval of any transfers other than:

- certain restrictions may from time to time be imposed by laws and regulations (for example insider trading laws); and

- pursuant to the Company's Share dealing code whereby the Directors and certain senior employees of the Company require approval to deal in the Company's Shares.

None of the Shares carry any special rights with regard to control of the Company. There are no known arrangements under which financial rights are held by a person other than the holder of the Shares and no known agreements on restrictions on Share transfers or on voting rights.

The Company established an Employee Benefit Trust ('EBT') in 2010, which in certain circumstances holds Shares in connection with the Group's employee Share incentive plans. As the registered holder, the voting rights in the Shares are exercisable by the trustee. However, the trustee does not ordinarily exercise those rights. At 31 March 2022, the EBT did not hold any Shares in the Company.

The Articles may only be amended by a special resolution at a general meeting of Shareholders.

The Company does not have agreements with any Director or employee that would provide compensation for loss of office or employment resulting from a change of control. Further details of the Directors' service contracts can be found in the Remuneration report on page 28 and 29.

The provisions of the Company's Long Term Incentive Plan ('LTIP') may cause options and awards granted to employees under such schemes and plans to vest on a change of control.

Issue of Shares

At the general meeting held on 28 September 2021, Shareholders granted authority to the Board under the Articles and Section 551 of the Companies Act 2006 (the 'Act') to exercise all powers of the Company to allot relevant securities up to an aggregate nominal amount of £485,930.

It is proposed at the forthcoming Annual General Meeting ('AGM') to renew the authority to allot relevant securities up to an aggregate nominal amount of £490,552, being one third of the nominal value of the current issued Share capital.

Also, at the general meeting held on 28 September 2021, Shareholders granted authority to the Board under the Articles and Section 570(1) of the Act to exercise all powers of the Company to allot equity securities wholly for cash in certain circumstances, including in connection with a rights issue or otherwise up to an aggregate nominal amount of £72,889 for general purposes and an additional £72,889 in connection with an acquisition or specified capital investment, without application of the statutory pre-emption rights contained in Section 561(1) of the Act.

It is proposed at the forthcoming AGM to renew the authority to allot relevant securities wholly for cash, including in connection with a rights issue or otherwise, up to an aggregate nominal amount of £73,582, being 5% of the current nominal value of the issued Ordinary Share capital, for general purposes and an additional £73,582 being 5% of the current nominal value of the issued Ordinary Share capital, to be used in connection with an acquisition or specified capital investment, in each case without application of the statutory pre-emption rights.

Purchase of own Shares

At the AGM held on 28 September 2021, Shareholders granted authority for the Company to make market purchases of up to 21,866,867 of its own Shares provided that the maximum price (excluding expenses) which may be paid for an Ordinary Share is an amount equal to 110% of the average of the middle market quotations for an Ordinary Share derived from the AIM appendix of the Daily Official List of the Exchange for the five business days immediately prior to the day on which the Share is contracted to be purchased and the minimum price is 1 pence exclusive of attributable expenses payable by the Company.

It is proposed to renew the above authority at the AGM to be held on 26 October 2022, retaining the provision that the maximum price (excluding expenses) that may be paid for an Ordinary Share up to an amount equal to 105% of the average of the middle market quotations for an Ordinary Share derived from the AIM appendix of the Daily Official List of the Exchange for the five business days immediately prior to the day on which the Share is contracted to be purchased. Accordingly, the required resolution is set out in the Notice of Meeting on page 86 of this report.

Significant agreements – change of control

A change of control of the Company following a takeover bid may cause a number of agreements to which the Company or its subsidiaries are party to take effect, alter or terminate. These include client contracts, leases, supplier contracts and provisions relating to the LTIP. No other individual contract is considered to be significant in terms of its potential impact on the business of the Group as a whole.

Substantial shareholdings

As at 29 September 2022, the Company was aware of the following Shareholdings representing 3% or more in the Company's existing issued Ordinary Share capital.

	No. of Shares	Percentage of issued Share capital
Schroder Investment Management	25,780,040	17.52
Canaccord Wealth Management	23,844,150	16.20
Lombard Odier Asset Management	19,113,372	12.99
Herald Investment Management	15,329,712	10.42
Tom Black	13,272,540	9.10
Invesco Perpetual Investment Management	11,390,771	7.74
Janus Henderson Investors	10,180,630	6.92

Directors

The names and biographical details of the current Directors of the Company are given on page 11.

Tom Black (Executive Chairman) and Colin Evans (Chief Executive) were appointed Directors on 8 February 2010, prior to the IPO. Richard Amos (Non-Executive Director) was appointed on 1 March 2021 and Katrina Nurse (Non-Executive Director) was appointed on 1 April 2022.

Richard Amos and Katrina Nurse are considered to be Independent Non-Executive Directors and Paul Taylor was considered independent until 31 March 2021 when he completed nine years' service with the Group. Adrian Crockett was appointed a Director on 1 May 2019, and stepped down as a Director on 14 April 2022. He was on garden leave until 1 July 2022 on which date he left the employment of the Group.

Chris Mann was appointed Interim Finance Director on 29 March 2022, pending the commencement of employment of Victoria Balchin who has been appointed Chief Financial Officer and will commence employment on 1 October 2022.

Paul Taylor stepped down from the Board on 28 September 2021.

The rules on appointment, re-appointment and retirement by rotation of Directors are contained in the Articles. A Director may be appointed by Shareholders' Ordinary resolution or by the Board. The current Articles require that all Directors are subject to election at the first AGM following appointment and thereafter to re-election at least every three years. However, in line with governance best practice, all Directors are submitting themselves for re-election at the forthcoming AGM. A review of Director performance was undertaken in April 2022.

Directors' interests

Details of the interests in the Shares of the Company of the Directors holding office as at the date of this report, and their immediate families, appear in the Remuneration report on page 31.

Details of the Directors' service contracts and letters of appointment appear in the Remuneration report on pages 28 and 29.

No Director had a material interest in any significant contract with the Company or any of its subsidiaries during the year. Procedures for dealing with Directors' conflicts of interest are in place and are operating effectively.

Directors' and Officers' indemnities and insurance

The Company maintains liability insurance for its Directors and Officers. The Directors and Officers have also been granted a qualifying third-party indemnity provision under the Act. That indemnity provision has been in force throughout the year and remains in force at the date of this report.

Research and development

The Group is active in the development of software and hardware in respect of people screening technologies and intends to remain so involved in the future. In the year under review, expenditure totalling £0.6 million (2021: £0.6 million) related to development of such technologies.

Pensions

The Group does not operate any defined benefit pension funds. A defined contribution scheme, in accordance with the auto enrolment regulations, is in operation for all UK-based employees unless an individual employee has waived their rights under the legislation. With effect from 1 April 2019, employee pension contributions have been made via a salary sacrifice scheme.

Health and safety

The Group aims to provide and maintain a safe environment for all employees, customers and visitors to its premises and to comply with relevant health and safety legislation. Day-to-day health and safety management is delegated to operational managers with oversight from the Company Secretary. External advice is utilised as appropriate and satisfactory external audits have recently been undertaken. During the year and to the date of this report, there have been no RIDDOR reportable incidents (2021: nil)

The Company has fully complied with government COVID guidelines since March 2020. A detailed policy was implemented for those working in both the Didcot and Ashburn offices which was, and continues to be, updated regularly to reflect the changing situation and associated guidelines.

Financial instruments

The Group's financial risk management objectives and policies are discussed in the Financial review on pages 6 and 7 and in note 19 on page 69 of the financial statements.

Post-balance sheet events

No reportable events have occurred from 31 March 2022 to the date of this report.

Political donations

No political donations were made during the year (2021: £nil).

Disclosure of information to the auditor

So far as each Director in office at the date of approval of this report is aware, there is no relevant audit information of which the Company's external auditor (Grant Thornton UK LLP) is unaware.

Each of the Directors has taken all steps that they ought to have taken in performing their roles as Directors to exercise due care, skill and diligence in order to make themselves aware: (i) of any relevant audit information; and (ii) to establish that the Company's external auditor is aware of such information.

For the purposes of this statement on disclosure of information to the external auditor, 'relevant audit information' is the information needed by the Company's external auditor in connection with the preparation of its report on pages 33 to 41.

Annual General Meeting

The Annual General Meeting (the 'AGM') will be held at Investec Bank plc, 30 Gresham Street, London EC2V 7QP on Wednesday 26 October 2022 at 10.00 a.m. The notice convening the AGM (the 'Notice of AGM') is set out on pages 86 and 87 of this report together.

Auditor

Grant Thornton UK LLP has expressed its willingness to continue as auditor of the Company. A resolution to re-appoint Grant Thornton UK LLP as the Company's auditor will be put to the forthcoming AGM.

Approved by the Board of Directors and signed by order of the Board

John Woollhead
Company Secretary
121, Olympic Avenue
Milton Park
Abingdon
Oxon
OX14 4SA

Registered in England and Wales No. 07149547

29 September 2022

Corporate governance report

This report for Shareholders sets out Thruvision's approach to Corporate Governance. The Company is listed on AIM and accordingly is not required to comply with the provisions contained in the 2018 UK Corporate Governance Code ('the Code') published by the Financial Reporting Council, available at www.frc.org.uk.

However, the Directors have agreed to adopt, as far as practicable, many of the principles contained in the Code. The Company formally reports against the QCA code on Corporate Governance.

The Board

The Board of Thruvision recognises its responsibility to provide entrepreneurial and responsible leadership to the Group within a framework of prudent and effective controls (described below) allowing assessment and management of the key issues and risks impacting the business. The Board sets Thruvision's overall strategic direction, reviews management performance and ensures that the Group has the necessary financial and human resources in place to meet its objectives. The Board is satisfied that the necessary controls and resources exist within the Group to enable these responsibilities to be met.

The Board terms of reference are available on request. Under these terms of reference certain matters are reserved for Board decision, further detail is given on pages 18 and 19.

The Chairman is responsible for the leadership of the Board and ensuring its effectiveness.

In the period 1 April 2021 to 28 September 2021, the Board had two Non-Executive Directors, Richard Amos and Paul Taylor. However, Paul Taylor was not deemed independent with effect from 1 April 2021 given his 9 years' service with the Company and he stepped down from the Board on 28 September 2021.

Having only one Independent Director was not in accordance with the Code or the QCA Corporate Governance code.

Katrina Nurse was appointed a Non-Executive Director on 1 April 2022 and accordingly from that date the Company complies with both the Code and the Quoted Companies Alliance Corporate Governance code in this regard.

Due to the nature and complexity of the business and its current stage of development and the fact that an experienced and qualified Company Secretary is retained to ensure appropriate governance arrangements, the Board is satisfied that it had the right balance of Board membership during the year under review.

Operational management of the Group is delegated to the Executive Directors and business unit heads who meet regularly to discuss such matters. These matters include project delivery, product development, resource allocation, sales, customer relationships and initial due diligence on mergers and acquisitions.

All decisions taken by both the Board and the Management team take due regard of the longer-term impact of that decision on the success of the Group, the impact on wider stakeholders and the impact of business operations on wider society. As far as possible all stakeholders are treated equally and fairly but it is not always possible to balance the interests of the Group with those of all stakeholders and accordingly it is not always possible to fully align the interests of all stakeholders.

At the date of this report, the Board comprises two Executive and two Non-Executive Directors whose Board and Committee responsibilities are set out below.

		Board	Audit	Remuneration	Nomination
Tom Black	Executive Chairman	Chairman	Member	Member	Member
Colin Evans	Chief Executive Officer	Member	–	–	–
Richard Amos	Non-Executive Director	Member	Chairman	Chairman	Chairman
Katrina Nurse	Non-Executive Director	Member	Member	Member	Member

Given the departure of Adrian Crockett, Chris Mann was appointed on 29 March 2022 as Interim Finance Director pending the appointment of a Chief Financial Officer. Victoria Balchin will commence as Chief Financial Officer on 1 October 2022. It is expected that Chris Mann will leave the business later in October 2022 following a short handover period.

Biographies of each of the current Directors and their responsibilities can be found on page 11.

During the year, Richard Amos confirmed to the Board that he had sufficient time available to fulfil his obligations as a Director and, should his circumstances change, that he would inform the Board.

On appointment, Katrina Nurse confirmed to the Board that she had sufficient time available to fulfil her obligations as a Director and, should her circumstances change, that she would inform the Board.

After careful review, the Board concluded that Richard Amos was independent during the year under review and remains independent at the date of this report. The Board also concluded that Katrina Nurse was independent on appointment (1 April 2022) and remains independent at the date of this report. In coming to these assessments, the Board considered their strength of character and independence of judgement and opinion, and the fact that they both:

- have never been an employee of the Group;
- have not had a material business relationship with the Group;
- receive no remuneration other than fees;
- have no close family ties with advisors, other Directors or senior management of the Group;
- have no significant links with other Directors through involvement with other companies;
- do not represent a significant Shareholder; and
- have not served on the Thruvision Board for more than nine years.

In the year under review, the Board met on 11 scheduled occasions; further meetings and conference calls are held as and when necessary. Details of Directors' attendance at scheduled meetings during the year are set out in the table below:

	Scheduled Board meetings attended
Tom Black	11/11
Colin Evans	11/11
Richard Amos	11/11
Paul Taylor	4/4
Adrian Crockett	11/11

During the year, the Chairman met with the Non-Executive Directors without the Executives present at the conclusion of each Audit Committee meeting.

The Board also ensures that the principal goal of the Company is to create Shareholder value, while having regard to other stakeholder interests, and takes responsibility for setting the Company's values and standards. Accordingly, the long-term interests of Shareholders, together with consideration of the wider community of interests represented by employees, customers and suppliers, and community and the environment are factored into the Group's management processes. They are reinforced through employee participation in Equity Incentive Schemes. The steps taken to achieve these goals are communicated to Shareholders and other interested parties through the Company's website (www.thruvision.com) and to employees via formal and informal briefings. Through formal policies, the Board seeks to engender a culture where business ethics, integrity and fairness are values that all employees endorse and apply in their everyday conduct.

There is a documented schedule of matters reserved for the Board, the most significant of which are:

- responsibility of the overall strategy and management of the Group;
- approval of strategic plans, profit plans and budgets and any material changes to them;
- approval of the acquisition or disposal of subsidiaries and major investments, projects and contracts;
- oversight of the Group's operations ensuring competent and prudent management, sound planning and management of adequate accounting and other records;
- changes relating to the Group's capital structure;
- final approval of the annual and interim financial statements and accounting policies;
- approval of the dividend policy;
- ensuring an appropriate system of internal control and risk management is in place;
- approval of changes to the structure, size and composition of the Board;
- review of management structure and senior management responsibilities;
- with the assistance of the Remuneration Committee, approval of remuneration policies across the Group;
- delegation of the Board's powers and authorities including the division of responsibilities between the Chairman and the Executive Directors;
- consideration of the independence of the Non-Executive Directors; and
- receiving reports on the views of the Company's Shareholders.

During the year, the Board received monthly briefings on the Group's performance (including detailed commentary and analysis) and key issues and risks affecting the Group's business. Amongst other matters, it reviewed the content of the Group's risk register and the Group's health and safety policies, processes and performance. Reports on Group operations, human resources, governance and regulatory matters affecting the Group were provided to the Board on a regular and timely basis. Briefings on customer activity, together with the views of Shareholders, were also provided to the Board.

Procedures exist to allow the Directors to seek independent legal and professional advice in respect of their duties at the Company's expense where the circumstances are appropriate. All Directors have access to the Company Secretary for advice.

The process for appraising the Chairman's performance is set out on page 23.

Board Committees

Summary
There are three principal Board Committees: Audit; Remuneration; and Nomination. The roles and responsibilities of each of these Committees are detailed below. Currently, Richard Amos is Chair of each of the Committees with Tom Black and Katrina Nurse (from 1 April 2022) as the other members. Katrina Nurse will become Chair of the Remuneration Committee at the conclusion of the AGM to be held on 26 October 2022.

The Committees are provided with sufficient resources via the Company Secretary and, where necessary, have direct access to independent professional advisors to undertake their duties.

Audit Committee

Paul Taylor was Chairman of the Committee until he stepped down from the Board on 28 September 2021. Richard Amos was Chairman of the Committee from 29 September 2021 to the date of this report. Richard Amos is a Chartered Accountant and is deemed by the Board to have recent and relevant financial experience and is independent for the purposes of the Code. All Committee members have extensive commercial experience, the details of which, along with their qualifications, are set out in the Directors' biographies on page 11. Further information on the work of the Audit Committee during the year is given below.

Terms of reference
The Audit Committee's terms of reference are available on request. The Audit Committee reviewed and re-approved its terms of reference in March 2022. Under its terms of reference, the Committee is responsible for providing advice to the Board on the Group's interim results and final financial statements, on accounting policies, and on the control of its financial and business risks as well as reviewing the work of the external auditor.

Frequency of meetings
The Audit Committee met three times during the year under review. The Chairman of the Audit Committee provided a report on the work of the Committee and any significant issues that may have arisen at the Board meeting following each Committee meeting.

Attendees at meetings
The Group Finance Director and Executive Directors attend Committee meetings by invitation of the Committee. Representatives of the Group's external auditor also attend these meetings by invitation. During the year, the external auditor attended all meetings, had direct access to the Committee during the meetings and time was also set aside for it to have private discussions (jointly and independently) with the Committee, in the absence of management.

The attendance of individual Committee members at Audit Committee meetings during the year under review is shown in the table below:

	Meetings attended
Richard Amos	4/4
Tom Black	3/4
Paul Taylor	1/1

Audit Committee activity
The purpose of the Audit Committee is to assist the Board in the discharge of its responsibilities for financial reporting and corporate control and to provide a forum for reporting by the external auditor. The responsibilities of the Audit Committee include:

- to monitor the integrity of the financial statements of the Company, and any formal announcements relating to the Group's financial performance, including reviewing significant financial reporting judgements and any disclosures contained in them;
- to review the Group's internal financial controls and its internal control and risk management systems including the management of intellectual property and to make recommendations to the Board;
- to consider the requirement for an internal audit function;

- to make recommendations to the Board, for it to be put to the Shareholders for their approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor;
- to agree the nature and scope of the external audit;
- to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;
- to review the Group's policy on the engagement of the external auditor to supply non-audit services and report to the Board, identifying matters in respect of which it considers action or improvement is needed and make recommendations as to the steps to be taken;
- to review the Group's whistle-blowing procedures; and
- to review the effectiveness of the audit process.

The Audit Committee's work during the year and up to the date of this report included:

- reviewing the interim results, preliminary announcement and the Annual Report and Accounts prior to their submission to the Board;
- reviewing significant accounting policies, financial reporting issues and judgements used in the preparation of the Company's preliminary announcement and interim results and final financial statements;
- reviewing management's Letters of Representation in connection with the Company's financial statements and the auditor's Management Letter;
- approval of the Audit Engagement Letters and fee proposal, and satisfied itself as to the auditor's ability to conduct an effective audit for such fee;
- review and assessment of the external auditor's independence and objectivity taking into account relevant UK professional and regulatory requirements. In doing so, the Committee reviewed the external auditor's own policies and procedures to safeguard its objectivity, independence and integrity, together with its representations as to independence. The Committee received assurances from the Audit Engagement Partner that the external auditor's reward and remuneration structure includes no incentives for audit engagement partners to cross-sell non-audit services to audit clients;
- review of the findings of the audit, including discussion of any major issues arising, any accounting and audit judgements and the internal control reports (including responses from management and any proposed remedial action);
- reviewing areas where control weaknesses had been identified by the external auditor and monitoring the mitigation and remediation plans of management;
- reviewing the regular reports of the external auditor including any weaknesses identified in respect of the Group's internal controls;
- approving the external audit plan (including audit scope, level of materiality, resources dedicated to the audit engagement, the seniority, expertise and experience of the engagement team), and satisfying itself as to the appropriateness and adequacy of the plan;
- evaluating the performance of the external auditor and satisfying itself as to the effectiveness of the audit;
- reviewing the Group's risk management processes and controls, and their effectiveness;
- reviewing the effectiveness of the Group's whistle-blowing procedures and satisfying itself that they allow for appropriate investigation and suitable follow-up actions; and
- reviewing the effectiveness of the Committee.

At the conclusion of each meeting of the Audit Committee, the Non-Executive Directors met with the external auditor without the Executives present. In addition, the Audit Committee Chair met with the external auditor to discuss the audit review process and other relevant matters.

Auditor independence
The Audit Committee and the Board consider auditor objectivity and independence ensuring, in particular, that it is not compromised where the auditor provides non-audit services. It is the Group's policy to use the services of advisors other than the external auditors for non-audit work unless the nature of the non-audit work makes it more timely, efficient or cost-effective to select advisors who already have a good understanding of the Group. The Chairman of the Audit Committee is consulted prior to each major non-audit engagement where the use of the auditor is proposed. During the year under review, the non-audit-related work undertaken by Grant Thornton UK LLP related to advice on the potential winding up of dormant subsidiary companies.

Details of audit and non-audit-related fees paid to Grant Thornton UK LLP in the year under review are given in note 3 to the accounts on page 59.

Internal audit function
The Audit Committee concluded that an internal audit function is not appropriate given the size of the Group, number of employees, centralised nature of management control and current stage of the Group's development.

Re-appointment of Grant Thornton UK LLP
Grant Thornton UK LLP was originally appointed as external auditor on 10 November 2017. There are no contractual restrictions on the Company with regard to its appointment.

At its meeting in September 2022, the Audit Committee considered the appropriateness of the re-appointment of Grant Thornton UK LLP as the Group's external auditor for the year to 31 March 2023 and concluded that it should recommend to the Board the re-appointment of Grant Thornton UK LLP as the Company's and Group's external auditor at the AGM to be held on 26 October 2022.

Remuneration Committee

Paul Taylor was Chairman of the Committee until he stepped down from the Board on 28 September 2021. Richard Amos was Chairman of the Committee from 29 September 2021 to the date of this report.

Katrina Nurse will take over as Chair of the Committee at the conclusion of the AGM on 26 October 2022

The Remuneration Committee is responsible for reviewing remuneration arrangements for the Executive Directors and other senior employees of the Group and for providing general guidance on aspects of remuneration policy throughout the Group. Alvarez & Marsal are retained as independent external advisors in order to assist the Committee in setting appropriate remuneration arrangements.

During the year and up to the date of this report, the Remuneration Committee made recommendations to the Board regarding:

- basic salary and other benefits of the Executive Directors and other senior employees of the Group;
- bonus payable to Executive Directors in respect of the year ended 31 March 2022;
- bonus arrangements for Executive Directors and other employees in respect of the year to 31 March 2023;
- policy regarding the provision of equity incentive for Executive Directors and senior management;
- awards made under the EMI and unapproved Share option scheme in 2021 and to the date of this report;
- remuneration on leaving in respect of Adrian Crockett;
- remuneration of Victoria Balchin who will commence as Chief Financial Officer on 1 October 2022; and
- the appointment of Alvarez & Marsal as Remuneration Consultants.

The terms of reference of the Remuneration Committee are available on request. The Chairman of the Remuneration Committee provided a report to the Board following each meeting of the Remuneration Committee.

The attendance of individual Committee members at Remuneration Committee meetings during the year under review are shown in the table below:

	Meetings attended
Richard Amos	5/5
Tom Black	5/5
Paul Taylor	2/2

The Remuneration report is set out on pages 25 to 31.

Nomination Committee

Paul Taylor was Chairman of the Committee until he stepped down from the Board on 28 September 2021. Richard Amos was Chairman of the Committee from 29 September 2021 to the date of this report.

The Nomination Committee meets as and when required. During the year under review, it met four times and details of Directors' attendance at that meeting are set out in the table below. Company executives and advisors attend meetings by invitation only. The Nomination Committee updates the Board and makes recommendations as and when required.

The terms of reference of the Nomination Committee are available on request. The Nomination Committee is responsible for succession planning at Board level, overseeing the selection and appointment of Directors and making its recommendations to the Board. It is also responsible for evaluating the commitments of individual Directors and the balance of skills, knowledge and experience on the Board and ensures that the membership of the Board and its principal Committees are refreshed periodically. Where appropriate, the Nomination Committee will prepare an outline of the role and capabilities required for particular appointments and use an external search consultancy and/or advertising in relation to Board appointments.

During the year under review and up to the date of this report, the Nomination Committee met and made recommendations to the Board regarding:

- the appointment of Katrina Nurse as a Non-Executive Director;
- the appointment of Chris Mann as Interim Finance Director;
- the appointment of Victoria Balchin as Chief Financial Officer;
- the proposed re-election of Tom Black at the forthcoming AGM;
- the proposed re-election of Colin Evans at the forthcoming AGM;
- the proposed re-election of Richard Amos at the forthcoming AGM;
- the proposed election of Katrina Nurse at the forthcoming AGM; and
- the proposed election of Victoria Balchin at the forthcoming AGM.

The appointment of Katrina Nurse as a Non-Executive Director was undertaken during the year with a resultant commencement date of 1 April 2022. A detailed specification for the role was prepared in order to facilitate the identification of suitable candidates. A search consultant was retained in order to assist the search and prepare a shortlist for consideration. A number of candidates were met by the Nomination Committee including the Executive Chairman with the recommended candidate being met by the other Directors prior to appointment.

The recruitment of Victoria Balchin as Chief Financial Officer commenced at the very end of the year under review and continued into the new financial year, with a resultant commencement date of 1 October 2022. A detailed specification for the role was prepared in order to facilitate the identification of suitable candidates. A search consultant was retained in order to assist the search and prepare a shortlist for consideration. A number of candidates were met by the Nomination Committee including the Executive Chairman with the recommended candidate being met by the other Directors prior to appointment.

The attendance of individual Nomination Committee members at Nomination Committee meetings during the year under review is shown in the table below:

	Meetings attended
Richard Amos	4/4
Tom Black	4/4
Paul Taylor	1/1

Chairman and Executive Directors
During the year and to the date of this report, there is a clear division of responsibilities between the role of the Chairman (who served in a Non-Executive capacity until 31 October 2017 and assumed an executive role from 1 November 2017) and the other Executive Directors, which is set out in writing and which has been approved by the Board.

Appointments to the Board
Appointments to the Board and its Committees are reserved for the Board, based on recommendations from the Nomination Committee. The appointment and removal of the Company Secretary is a matter reserved for the Board as a whole.

Information and professional development

Under the Chairman's stewardship the Company Secretary advises the Board on all governance matters and ensures Board procedures are followed and applicable rules and regulations complied with.

The Company Secretary ensures that Directors undergo a comprehensive induction programme on appointment.

All Directors individually, and each of the Board Committees, have access to the advice and services of the Company Secretary. There are also procedures in place enabling Directors in the furtherance of their duties to seek independent professional advice at the Company's expense.

Performance evaluation

A formal appraisal process for the Board and its Committees was undertaken in July 2021. This was an internal process using detailed questionnaires completed by all relevant Directors and collated and summarised by the Company Secretary. As a result of this process certain actions were agreed and have been implemented.

The questionnaire in respect of the Board, Audit, Remuneration and Nomination Committees covered objectives and strategy, management oversight, Board performance, meetings, external relationships, governance, succession planning and Board/Committee constitution. The results of the exercise were discussed by the Board who concluded that the Board and its Committees were operating effectively.

In April 2022, the Chairman reviewed the performance of the Chief Executive, the Senior Independent Director reviewed the performance of the Chairman and the Board reviewed the performance of the Senior Independent Director. As part of this process the training needs of all Directors were reviewed.

The process confirmed that all Directors continued to contribute effectively, and with sufficient commitment to their roles in order to facilitate the progress of the Group.

Re-election

The current Articles require that all Directors are subject to election by Shareholders at the first AGM following appointment and thereafter to re-election at least every three years.

The AGM of the Company will be held on 26 October 2022. In accordance with good corporate governance practice, all Directors will be offering themselves for re-election at the forthcoming AGM.

Internal control

The Board is responsible for establishing and maintaining the Group's system of internal control and for reviewing the effectiveness of those controls. Internal control systems are designed to meet the particular needs of the Group and the risks to which it is exposed. By their nature however, internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material errors, losses, fraud or breaches of laws and regulations.

The systems of internal control have been maintained during the year as the Group has developed. The effectiveness of these systems has been periodically reviewed by the Audit Committee and the Board.

The systems of internal control are based on an on-going process of identifying, evaluating and seeking to manage key risks and include the preparation and refreshment of Group risk registers, together with appropriate risk mitigation activities along with the other risk management processes as set out below. With oversight from the Board and Audit Committee, individual members of the Group's Board are responsible for the ownership and mitigation of significant risks. The Audit Committee and the Board regularly review the identified risks, changes in their status and the composition of the Group's risk register.

Key elements of the internal control system are described below:

- clearly defined management structure and delegation of authority to Board Committees and business units;
- high recruitment standards to ensure integrity and competence of staff;
- regular and comprehensive information provided to management, covering financial and non-financial performance indicators;
- technical, financial and legal due diligence undertaken prior to acquisitions;
- a detailed budgeting process where business units prepare budgets for the coming year for Board approval;
- monthly monitoring and re-forecasting of annual and half-yearly results against budget, with major variances followed up and management action taken where appropriate;
- procedures for the approval of capital expenditure, investments and acquisitions;
- regular review and updating of the Group risk register including the implementation of mitigating actions; and
- formal consideration of progress made against significant business risks on a quarterly basis.

The above system was in place for the year under review and up to the date of this report and has been used in the preparation of the consolidated financial statements as at 31 March 2022.

The Board, with the assistance of the Audit Committee, has conducted its annual review of the effectiveness of the system of internal control based on a review of significant risks identified, external audits and reports from management and concluded that the system of internal control is adequate given the stage of the Group's development.

Communication with investors

The Group believes it is important to explain business developments and financial results to its Shareholders and to understand any Shareholder views and concerns, and that suitable arrangements are in place to ensure a balanced understanding of the issues and concerns of major Shareholders. The Chairman, the Chief Executive Officer and the Finance Director have primary responsibility for investor relations. Meetings are held with institutional Shareholders to discuss strategy, financial performance and investment activities immediately after the full year and interim results announcements. The Annual Report and the interim results are available on the Company's website. The Non-Executive Directors are available to meet with major Shareholders, if such meetings are required. Further financial and business information is available on the Investor section of the Company's website.

Feedback from meetings with Shareholders is provided to the Board to ensure that the Non-Executive Directors have a balanced understanding of the issues and concerns of major Shareholders.

The principal method of communication with private Shareholders is through the Annual Report and interim results, the AGM and through the Company's website.

Annual General Meeting ('AGM')

Where possible arrangements are made for all Directors to attend the AGM and to be available to answer Shareholders' questions. Further details regarding the AGM planning can be found in the Directors' report on page 16 and in the Notice of Meeting on page 86.

The Notice of the AGM is, in accordance with the applicable Companies Act and the Articles, either posted in hard copy to Shareholders or posted on the Company's website at least 21 days before the date of the AGM. Resolutions are proposed for each substantially separate issue and details of the proxy voting on each resolution are announced at the AGM after the results of the show of hands is known and are posted on the Company's website following the conclusion of the meeting.

The Company counts all proxy votes and indicates the level of proxies lodged on each resolution. It also publishes the level of votes for and against resolutions and the number of votes withheld. The Company ensures that votes cast are properly received and recorded.

Remuneration report

Composition of the Remuneration Committee

Paul Taylor was Chairman of the Committee until he stepped down from the Board on 28 September 2021. Richard Amos was Chairman of the Committee from 29 September 2021 to the date of this report. The other member of the Committee during the year was Tom Black. Katrina Nurse joined the Committee on appointment to the Board on 1 April 2022 and will take over as Chair at the conclusion of the AGM to be held on 26 October 2022.

Neither Paul Taylor, Richard Amos or Katrina Nurse have a potential conflict of interest arising from cross-directorships and they are not involved in the day-to-day running of the Company. Tom Black is a member of the Committee but is not involved in decisions concerning himself.

The Remuneration Committee has appointed Alvarez & Marsal to provide advice on executive remuneration including the valuation of awards under the Equity Incentive Programme. Alvarez & Marsal is an independent advisor to the Remuneration Committee. Alvarez & Marsal did not provide any other services to the Company during the year under review.

Role of the Remuneration Committee

The Remuneration Committee is responsible for the Board policy with respect to senior executives' salary and other remuneration. It specifically determines within remuneration principles agreed with the Board, the total remuneration package of each Executive Director and reviews the remuneration packages for other senior executives. A copy of the terms of reference is available on request.

The Committee met 5 times during the year. Details of attendance are shown in the Corporate Governance report on page 21.

Remuneration policy

The Group's policy is to provide Executive Directors with a competitive market-based package in order to reward individual and Group performance and deliver outstanding Shareholder returns.

The Remuneration Committee is committed to ensuring that the Company's key executive team is incentivised to drive sustainable earnings growth and returns to Shareholders, thereby creating a genuinely strong alignment of interests between management and investors. A robust, strategically focused equity-based long-term incentive policy is a key ingredient of this.

During the year the Remuneration Committee, in conjunction with its advisers Alvarez & Marsal, conducted a review of the remuneration policy with regard to the Executive Directors. This review included a benchmarking exercise against other similar organisations including those listed on AIM. The review concluded that whilst base salary, pension, LTIP and other benefits were broadly in line with typical 'market' arrangements, the bonus arrangements, in particular the maximum potential entitlements, were lower than one would expect for an organisation of Thruvision's size and complexity. Whilst noting the historical reasons for this previous policy the Committee determined that recent developments within the Group made its rationale outdated. Accordingly, the Committee have revised bonus arrangements for the year ended 31 March 2023 as set out below.

Year ending 31 March 2022

During the year under review, it was the policy of the Company that Executive Directors receive a basic salary, a bonus opportunity, a company car if appropriate, life assurance of four times salary, private medical insurance and pension fund membership.

For the year to 31 March 2022, a maximum bonus entitlement of base salary for the CEO of 25% and for the Finance Director of 10% was in place, subject to the achievement of stretching financial performance targets.

Awards were made to the Executive Directors in November 2021 under the EMI Share option scheme and unapproved share option scheme as detailed on pages 29 and 30 of this report.

Year ending 31 March 2023 and subsequent periods

A similar structure of remuneration will be payable for the year ending 31 March 2023 in respect of base salary, life assurance, private medical insurance, company car and pension fund membership but with a higher maximum bonus entitlement as set out below. It is anticipated that a further award under the EMI Share Option scheme and/or the unapproved share option scheme will be made later in the year.

Base salary
It is the policy of the Company to pay a competitive base salary which is regularly benchmarked against organisations of a similar size and in a similar sector.

Bonus opportunity
A bonus scheme is in place, based on revenue in the year to 31 March 2023. This scheme provides a maximum bonus opportunity of 100% of base salary for the CEO and 80% for the incoming Chief Financial Officer. The scheme has lower entitlements at its entry point and for the achievement of budget revenue levels. In each case the payment of the bonus is dependent on acceptable profitability levels. In order to achieve the maximum bonus payable, revenue of £19.5 million is required in the year ending 31 March 2023.

Long Term Incentive Plan
It is expected that annual awards will be made under the LTIP.

Pension
The Company introduced a Defined Contribution pension scheme, in line with legislation, for all employees (including Executive Directors) in October 2015.

During the year under review and for the foreseeable future, the scheme provides for employer and employee contributions to be made at the rate of 3% and 5% respectively.

Full-time Executive Directors who do not participate in the pension scheme are entitled to a cash payment of 3% of base salary in compensation for the employer contribution that would be paid if they participated in the scheme.

Other benefits
Executive Directors are offered life cover of four times salary and private medical insurance. Colin Evans received a fully expensed company car. No other Executive Director receives a company car.

It is anticipated that these benefits will continue and that no other benefits will be offered.

Base salary

During the year under review, the base salary of Colin Evans was £235,000 (2021: £235,000), the base salary of Tom Black was £45,000 (2021: £45,000) and the base salary of Adrian Crockett was £159,650 (2021: £155,000). At the date of this report, the base salary of Tom Black has not been increased and therefore remains at the level as detailed above. The base salary of Colin Evans increased by 6.4% to £250,000 with effect from 1 April 2022. This increase was broadly in line with the increase given to all staff of 5% and also reflected the fact that he had not received an increase to base salary since 2017.

Victoria Balchin will join the Company on 1 October 2022 as Chief Financial Officer. Her base salary will be £195,000.

Bonus scheme

Year ended 31 March 2022
During the year under review, the Executive Directors participated in a formal bonus arrangement based on the performance of the Company. Under a strict interpretation of the performance conditions, no bonus would have been payable for the period. However, in light of his key role in the significant strategic developments in the Group over the last twelve months the Remuneration Committee awarded a bonus of £20,000 (2021: £nil) to Colin Evans. No other bonus payments were made to the Executive Directors.

Year ending 31 March 2023
As set out in the policy section above, a bonus scheme is in place, based on revenue in the year to 31 March 2023. This scheme provides a maximum bonus opportunity of 100% of base salary for Colin Evans and 80% for the incoming Chief Financial Officer. In order to achieve the maximum bonus payable, revenue of £19.5 million is required in the year ending 31 March 2023.

Equity incentives

Enterprise Management Incentive Scheme ('EMI')
With effect from 1 November 2017, the Remuneration Committee agreed that future equity awards would be made, as far as possible, under the EMI Section of the LTIP. Awards under the EMI scheme provide tax efficient Share options up to certain limits as set by HMRC. Awards have been made under the EMI scheme as detailed on page 27 of this report. Performance Conditions apply to awards made since 1 January 2019, the details of which are given on pages 30 and 31. Performance Conditions do not apply to awards made prior to 31 December 2018. In all cases the option price is payable by the employee concerned on exercise.

Unapproved options and awards to overseas employees
Awards are made under an unapproved scheme in the case where no further awards can be made under the EMI scheme or where awards are to be made to overseas employees. Awards have been made under the unapproved scheme as detailed on page 27 of this report. Performance Conditions apply to awards made since 1 January 2019, the details of which are given on page 30 and 31. Performance Conditions do not apply to awards made prior to 31 December 2018. In all cases the option price is payable by the employee concerned on exercise.

Renewal of Long Term Incentive Plan
At the Annual General Meeting held on 22 September 2020, shareholder approval was given for the extension of the Long-Term Incentive Plan ('LTIP') which was originally implemented in 2010. All awards under the EMI, Unapproved and Overseas schemes are made under the umbrella of the LTIP. Details of the provisions relating to the LTIP can be found on pages 81 and 82 of the 2020 Annual Report.

Sharesave Scheme
At the General Meeting held on 1 November 2013, the introduction of a Sharesave Scheme ('the Scheme') was approved by Shareholders. The Scheme was launched in June 2014. Outstanding awards under this scheme are detailed below;

- An award of 1,443,600 options was made on 21 September 2018, of which 1,281,600 options vested on 1 November 2021. In the period 1 November 2021 to 31 March 2022, 810,000 options were exercised by employees. Accordingly, on 31 March 2022, 471,600 vested options were outstanding to be exercised. At the date of this report all outstanding options have been exercised.
- An award of 410,863 options was made on 30 October 2019, of which 277,170 options remain outstanding as at 31 March 2022.
- An award of 173,072 options was made on 23 July 2020, of which 60,574 options remain outstanding as at 31 March 2022.
- An award of 996,417 options was made on 25 January 2022, all of which remained outstanding on 31 March 2022.

Details of awards made to the Executive Directors under this scheme are given on page 31.

There are no other share option schemes operated by the Group.

Dilution limits and Employee Benefit Trust
It is the policy of the Company that awards made under the LTIP (including the EMI scheme), the Sharesave Scheme, and any other long-term incentive scheme which are to be satisfied by new issue Shares will, in total, not exceed 1% per annum on average of the issued Share capital over the medium to long term. However, in the short term, awards may be made which would exceed 1% in any one particular year.

At 31 March 2022, Share options that have been exercised and potentially dilutive awards have been made and are still outstanding are detailed below:

	31 March 2022	31 March 2021
Exercised share options (since 1 April 2012)	**1,205,500**	395,500
Awards under the EMI scheme	**6,050,662**	6,744,365
Awards under the unapproved scheme and to US employees	**4,249,513**	5,097,629
Awards under the Sharesave Scheme	**1,805,761**	1,709,142
Total	**13,311,436**	13,946,636

If all the above equity awards were to vest, dilution on the current Share capital would amount to 9.08%.

Awards made under the LTIP (excluding EMI awards) may be satisfied by Shares held in the Thruvision Group plc Employee Benefit Trust ('EBT'). The Company has confirmed to the EBT that sufficient Shares will be made available prior to the requirement to satisfy the exercise of awards under the LTIP. At 31 March 2022, no shares were held by the EBT (2021: nil).

In November 2021, it became apparent that the awards made in 2019 totalling 4,061,819 shares were highly unlikely to vest given that the performance conditions were unlikely to be achieved. Accordingly, the EBT agreed to settle any shares that did vest in respect of the 2019 award by way of market purchased shares. The company undertook to provide sufficient resources for the EBT to purchase the shares in the market. Following the reporting of the result for the period ending 31 March 2022, it has been confirmed that Awards made in 2019 did not vest and hence the EBT did not need to provide shares to satisfy this award. The awards detailed in the table above exclude the awards made in 2019 as they are not dilutive.

Full details of awards made under the LTIP, the EMI scheme and the Sharesave Scheme during the year are given in note 18 on pages 66 to 69.

Pensions

Adrian Crockett joined the Thruvision Group Pension Scheme, a defined contribution scheme, on 1 May 2019, and was a member during the year under review. His employer contributions are shown in the table below. He left the Company and hence the scheme on 1 July 2022.

Tom Black and Colin Evans did not participate in the scheme or any other pension scheme operated by the Company.

With effect from 1 October 2020, Colin Evans receives 3% on his base salary as a taxable cash payment as compensation for the 3% employer pension contribution he would have received had he been a member of the scheme. This amounted to £7,050 in the year to 31 March 2022 (2021: £3,525). Tom Black does not receive this compensation.

Other Benefits

Colin Evans receives Life Assurance benefit of four times base salary, private medical cover and a fully expensed company car.

Tom Black does not receive any of the above benefits.

Remuneration of the Non-Executive Directors

The remuneration of the Non-Executive Directors comprises solely of fixed fees which are set by the Board. Advice is taken on appropriate levels taking account of the development of the Group, market practice, time commitment and responsibility. Directors are not involved in discussions relating to their own salary, benefits or fees.

The total fees for Non-Executive Directors remain within the aggregate limit of £250,000 per annum as set out in the Articles. There are no pre-determined special provisions for Non-Executive Directors with regard to compensation in the event of loss of office.

In the year under review and to the date of this report, the annual fee payable to Richard Amos was £35,000 (2021: £35,000) per annum. The annual fee payable to Paul Taylor in the period 1 April 2021 to 28 September 2021 was £35,000 per annum (2021: £35,000). The fee payable to Katrina Nurse from 1 April 2022 is £35,000 per annum.

Directors' remuneration for the year ended 31 March 2022

	Basic salary/fees 2022 £'000	Pension 2022 £'000	Other 2022 £'000	Benefits 2022 £'000	Bonus 2022 £'000	Remuneration **2022 £'000**	Remuneration 2021 £'000
Executive Directors							
Tom Black (as Executive Chairman)	45	nil	nil	nil	nil	**45**	45
Colin Evans	235	nil	7	7	20	**269**	242
Adrian Crockett	160	5	nil	1	nil	**166**	161
Non-Executive Directors							
Richard Amos	35	nil	nil	nil	nil	**35**	3
Paul Taylor	17	nil	nil	nil	nil	**17**	35
Total	**492**	**5**	**7**	**8**	**20**	**532**	486

Tom Black, Colin Evans, Adrian Crockett and Richard Amos were in office during the year and remuneration has been presented from 1 April 2020 to 31 March 2021.

Paul Taylor left the Company on 28 September 2021 and his 2022 remuneration is presented from 1 April 2021 to date of leaving the Company.

Adrian Crockett stepped down as a Director on 14 April 2022. He was on garden leave (receiving full salary and benefits) until 1 July 2022 on which date he left the employment of the Group. On leaving the Group he received three months' base salary in lieu of notice of £39,912, payment in respect of 19.5 days of accrued but untaken holiday of £11,973 and a termination payment of £30,000. No other amounts are payable to Adrian Crockett.

Service contracts

Tom Black and Colin Evans are subject to rolling service contracts with a notice period of one year. Adrian Crockett was subject to a rolling service contract with a notice period of six months. Payments on termination for Executive Directors, other than on grounds of incapacity or in circumstances justifying summary termination, are restricted to the value of any unexpired notice period and the cost of providing other contractual benefits during the unexpired notice period.

The letter of appointment in respect of Richard Amos is for a fixed period of three years and may be terminated by either party giving to the other not less than one month's notice.

The letter of appointment in respect of Katrina Nurse is for a fixed period of three years and may be terminated by either party giving to the other not less than one month's notice.

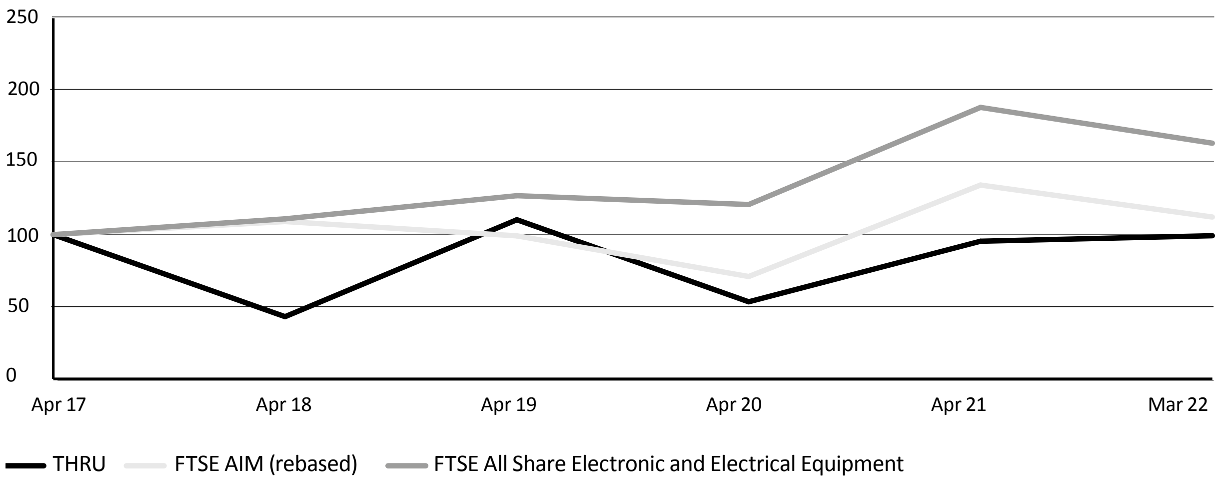
Details of the Directors offering themselves for re-election at the forthcoming Annual General Meeting are set out in the Directors' report on page 15.

The service contracts and letters of appointment include the following terms:

Executive Chairman	Date of contract	Notice period (months)
Tom Black	12 January 2018	12
Executive Directors		
Colin Evans	23 October 2010	12
Independent Non-Executive Director	Letters of appointment	Notice period (months)
Richard Amos	1 March 2021	1
Katrina Nurse	1 April 2022	1

TSR performance

The graph below sets out for the period from 1 April 2017 to 31 March 2022 the Total Shareholder Return of Thruvision Group plc and the performance of FTSE Aim sector and the FTSE All Share Electronic and Electrical equipment index.



The Share price of the Company on 8 February 2010 (being the date of the Company's IPO) was £1. During the year under review, the Share price varied between 29.0 pence and 17.3 pence and at 31 March 2022 was 26.0 pence.

Share awards to Directors under the EMI scheme held at 31 March 2022

	At 1 April 2021	Awarded during the year	Lapsed during the year	Exercised during the year	**At 31 March 2022**	Grant date	Exercisable from	Share price at grant	Exercise price
Tom Black									
EMI Share options awarded in January 2018	585,175	nil	nil	nil	**585,175**	17/1/18	17/1/21 to 17/1/28	15.38p	15.38p
Colin Evans									
EMI Share options awarded in January 2018	1,625,487	nil	nil	nil	**1,625,487**	17/1/18	17/1/21 to 17/1/28	15.38p	15.38p
Adrian Crockett									
EMI Share options awarded in October 2019	400,000	nil	nil	nil	**400,000**	8/10/19	8/10/22 to 8/10/29	27.60p	27.60p
EMI Share options awarded in June 2020	250,000	nil	nil	nil	**250,000**	15/6/20	15/6/23 to 15/6/30	20.00p	20.00p
EMI Share options awarded in November 2021	nil	200,000	nil	nil	**200,000**	30/11/21	30/11/24 to 30/11/31	18.75p	18.75p
Total	650,000	200,000	nil	nil	**850,000**				

All the above option awards to Adrian Crockett lapsed on his leaving the Company, following a period of garden leave, on 1 July 2022.

Share awards to Directors under the unapproved Share option scheme held at 31 March 2022

	At 1 April 2021	Awarded during the year	Lapsed during the year	Exercised during the year	**At 31 March 2022**	Grant date	Exercisable from	Share price at grant	Exercise price
Colin Evans									
Unapproved Share options awarded in January 2018	374,513	nil	nil	nil	**374,513**	17/1/18	17/1/21 to 17/1/28	15.38p	15.38p
Unapproved Share options awarded in January 2019 (note 1)	870,370	nil	nil	nil	**870,370**	18/1/19	18/1/22 to 18/1/29	27.00p	27.00p
Unapproved Share options awarded in October 2019 (note 1)	851,449	nil	nil	nil	**851,449**	8/10/19	8/10/22 to 8/10/29	27.60p	27.60p
Unapproved Share options awarded in June 2020 (note 2)	800,000	nil	nil	nil	**800,000**	15/6/20	15/6/23 to 15/6/30	20.00p	20.00p
Unapproved Share options awarded in November 2021	nil	800,000	nil	nil	**800,000**	30/11/21	30/11/24 to 30/11/31	18.75p	18.75p
Total	2,896,332	800,000	nil	nil	**3,696,332**				

note 1. The Remuneration Committee resolved that these options lapsed in June 2022 as the performance condition had not been met.

note 2. The Remuneration Committee resolved that 50% of these options lapsed in June 2022 as the performance condition had not been met.

Performance conditions in respect of the awards detailed above

Awards made in November 2021

Awards made in November 2021 under both the EMI scheme and the Unapproved scheme are subject to a performance condition based on revenue in the period 1 April 2021 to 31 March 2024 as follows:

- 50% of the award will vest if total revenue in the period 1 April 2021 to 31 March 2024 is equal to £36,000,000
- 100% of the award will vest if total revenue in the period 1 April 2021 to 31 March 2024 is equal to £43,000,000
- If revenue is between £36,000,000 and £43,000,000 the award will vest on a straight-line basis between 50% and 100%

Awards made in June 2020

Awards made in June 2020 under both the EMI scheme and the Unapproved scheme are subject to a performance condition based on revenue in the period 1 April 2020 to 31 March 2023 as follows:

Tranche 1

- 50% of the award will vest if Revenue in the two-year period from 1 April 2020 to 31 March 2022 is in excess of £21,125,280 providing the awardee remains in the employment of the Group (or has left as a 'Good Leaver') on the third anniversary of the award date.
- 50% of the award will lapse if Revenue in the two-year period 1 April 2020 to 31 March 2022 is below £16,900,224.
- If Revenue in the two-year period 1 April 2020 to 31 March 2022 is between £16,900,224 and £21,125,280, 80% of Tranche 1 (i.e. 40% of the total award) will be capable of vesting if Revenue in the three-year period from 1 April 2020 to 31 March 2023 is in excess of £34,952,736. In this circumstance if Revenue is below £34,952,736, 80% of Tranche 1 (i.e. 40% of the total Award) will lapse.

The Remuneration Committee has resolved that in light of FY21 plus FY22 revenue being below £16,900,224 the options applicable to this tranche of the award have lapsed.

Tranche 2

- 50% of the award will vest on the third anniversary of the award date if Revenue in the three-year period 1 April 2020 to 31 March 2023 is in excess of £34,952,736.

Awards made in January 2019 and October 2019

Awards made in January 2019 and October 2019 under both the EMI scheme and the Unapproved scheme are subject to a performance condition based on revenue and profit in the period 1 April 2021 to 31 March 2022 (FY22) as follows.

FY22 Revenue	FY22 profit (EBITDA)	Percent of awards that vest
£18.9m or more	£1m or more	100%
Between £16.2m and £18.9m	Between breakeven and £1m	Straight-line basis between 0% and 100%
Less than £16.2m	Less than breakeven	0%

In order for the awards to vest in full both the Revenue and Profit performance conditions must be met.

The Remuneration Committee resolved , in June 2022, that in light of FY22 revenue being below £16.2 million, the awards made in January 2019 and October 2019 have lapsed.

Awards made in January 2018

Awards made in January 2018 under both the EMI scheme and the Unapproved scheme were not subject to a performance condition.

Share awards made to Executive Directors under the Sharesave Scheme at 31 March 2022

	At 1 April 2021	Awarded during the year	Lapsed during the year	Exercised during the year	**At 31 March 2022**	Grant date	Exercisable from	Share price at grant	Exercise price
Tom Black									
Sharesave option granted September 2018	90,000	nil	nil	90,000	**nil**	21/9/18	21/9/21 to 21/3/22	£0.25	£0.20
Colin Evans									
Sharesave option granted September 2018	90,000	nil	nil	90,000	**nil**	21/9/18	21/9/21 to 21/3/22	£0.25	£0.20
Sharesave option granted January 2022	nil	64,285	nil	nil	**64,285**	25/01/22	25/01/25 to 25/07/25	£0.224	£0.224
Adrian Crockett									
Sharesave option granted October 2019	8,152	nil	nil	nil	**8,152**	3/10/19	3/10/22 to 3/4/23	£0.276	£0.2208

All the above option awards to Adrian Crockett lapsed on his leaving the Company, following a period of garden leave, on 1 July 2022.

Directors' interests in Shares

The Executive Directors are strongly encouraged to hold Shares in Thruvision Group plc to the value of at least 2x base salary. Tom Black and Colin Evans currently comply with this requirement.

A newly appointed Director is expected to build the stake over time using post-tax bonus payments, base salary increases and vested options under the LTIP scheme.

The interests of the Directors, and their Closely Associated Persons, at the end of the year in the Share capital of the Company were as follows:

	As at 31 March 2022 Ordinary Shares	As at 1 April 2021 Ordinary Shares
Tom Black	**13,272,540**	11,349,444
Colin Evans	**2,513,900**	2,423,900
Richard Amos	**450,000**	nil
Adrian Crockett	**6,320**	nil

No Director holds a non-beneficial interest in the Company's Share capital. On 20 April 2022 Katrina Nurse (including her Closely Associated Persons) purchased 134,000 Shares in the Company. There have been no other changes in Directors' Shareholdings between 31 March 2022 and 29 September 2022.

Approved by the Board and signed on its behalf:

Richard Amos
Chairman, Remuneration Committee

29 September 2022

Directors' responsibility statement – Group financial statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. 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 and profit or loss of the Company and 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 applicable international accounting standards in conformity with the requirements of the UK-adopted international accounting standard have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors' remuneration report 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 confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

To the best of our knowledge:

- the Group financial statements, prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006/UK-adopted international accounting standard give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic report and Directors' report include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Tom Black
Chairman

29 September 2022

Colin Evans
Chief Executive

29 September 2022

Independent auditor's report to the members of Thruvision Group Plc

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Thruvision Group plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 March 2022, which comprise the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated statement of financial position, the Consolidated statement of changes in equity, the Consolidated statement of cash flows, the Company balance sheet, the Company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 March 2022 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern
We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or the parent company to cease to continue as a going concern.

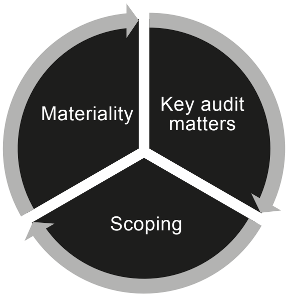
A description of our evaluation of management's assessment of the ability to continue to adopt the going concern basis of accounting, and the key observations arising with respect to that evaluation is included in the Key Audit Matters section of our report.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and 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 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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Our approach to the audit



Overview of our audit approach

Overall materiality:

Group: £125,000, which represents approximately 1.5% of the Group’s revenue.

Parent company: £81,000, which is 1% of the parent company’s total assets, capped at its component materiality, being 65% of the Group’s materiality.

Key audit matters were identified as:

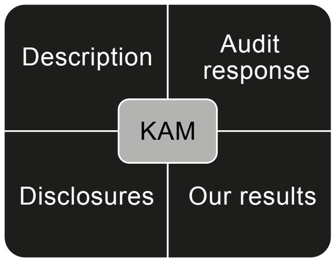
- Revenue recognition in the final quarter (same as previous year);
- Going concern (new in year); and
- Impairment of investments and intercompany receivables (investments is same as previous year, intercompany receivables is new in year).

Our auditor’s report for the year ended 31 March 2021 did not include any key audit matters that have not been reported as key audit matters in our current year’s report.

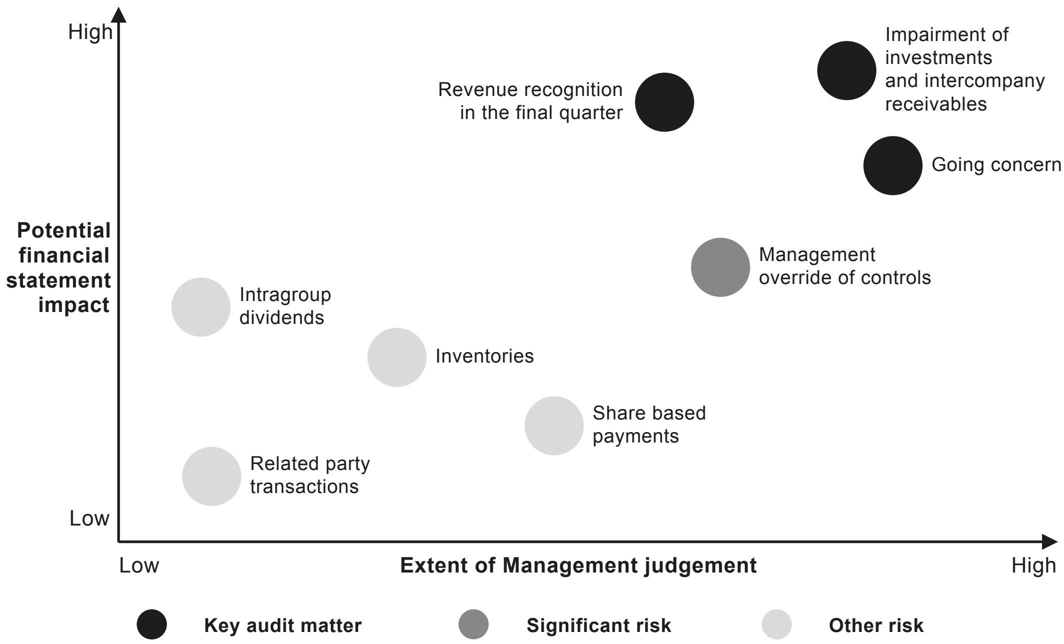
We performed an audit of the financial statements of the parent company, Thruvision Group Plc, and of the financial information of Thruvision Limited and Thruvision Inc., using component materiality (“full scope audit”).

Key audit matters

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



In the graph below, we have presented the key audit matters, significant risks and other risks relevant to the audit.



Key Audit Matter – Group	How our scope addressed the matter – Group
Revenue recognition in the final quarter We identified revenue recognition in the final quarter as one of the most significant assessed risks of material misstatement due to fraud. Group revenue of £8,361,000 (2021: £6,700,000) has been recognised in the year ended 31 March 2022, arising significantly from the sales of products in the final quarter. Revenue is the most significant item in the Group statement of comprehensive income and impacts several key performance indicators, and key strategic indicators, as set out in the Chairman's Statement and Strategic Report on page 2. Revenue recognised in the final quarter was identified to be the elevated risk due to the global nature of the group's customer base, receipt of payments from customers not always aligning with sales timelines, and a significant amount of revenue (51%) being recognised in the final quarter of the year, of which 93% was recognised in the final month of the financial year. There is a risk that revenue is not recognised appropriately in line with each separate performance obligation identified within the contract.	In responding to the key audit matter, we performed the following audit procedures: • Challenged management and assessed whether the accounting policy adopted by the directors was in accordance with International Financial Reporting Standard (IFRS) 15 'Revenue from Contracts with Customers' and was applied consistently throughout the year, including challenging management on the adequacy of bill-and-hold disclosures; • Obtained a schedule of revenue recognised in the final quarter of the year, reconciled to the accounting system and checked the validity of this reconciliation; • Selected a sample of revenue transactions recognised in the final quarter from the listing and, for those items selected, traced recognised revenue transactions to proof that the performance obligations within the contract have been satisfied prior to the year end in order to provide evidence of occurrence and of appropriate revenue recognition; • Challenged management around the recognition of revenue specifically for the sales in the final quarter made under a bill-and-hold arrangement, obtaining evidence to satisfy that the conditions for recognition as bill-and-hold revenue were appropriate; and • Challenged management around the identification of two separate performance obligations for certain revenue transactions whereby delivery of units was made but installation was deferred until a later date.
Relevant disclosures in the Annual Report and Accounts 2022 • Accounting policies: Note 8, Revenue recognition • Financial statements: Note 2, Segmental information	**Our results** Based on our audit work, we did not identify any material misstatement in revenue recognised in the final quarter of the year, and we consider that revenue was recognised in accordance with the group's accounting policy and IFRS 15.
Going concern We identified going concern as one of the most significant assessed risks of material misstatement due to error. The Covid-19 pandemic and worldwide macro-economic conditions requires management to reassess forecasts to reflect the potential impact of these global events on trading results, future sales, profitability and cash flows throughout the going concern forecast period. These matters increase the extent of management judgement and estimation uncertainty associated with management's forecasts when assessing the appropriateness of adopting the going concern basis of accounting in preparation of the financial statements.	In responding to the key audit matter, we performed the following audit procedures: • Obtained management's base case scenario for the period to 30 September 2023, together with supporting evidence for all key trading, working capital and cash flow assumptions and assessed how these cash flow forecasts were compiled, together with their appropriateness by applying relevant sensitivities to the underlying assumptions, and challenging those assumptions; • Obtained management's reverse stress test, which reflect management's assessment of uncertainties. We evaluated and challenged the assumptions regarding the forecast period and reduced trading levels under each of these scenarios including the impact of reduced revenue growth, cost saving measures that could be implemented and gross profit margins tightening due to higher than expected raw material costs; • Considered the inherent risks associated with the group's and parent company's business model including effects arising from the Covid-19 pandemic and worldwide macro-economic uncertainties; • Challenged management and the board on the mitigating actions that could be implemented should worldwide macro-economic conditions such as supply chain issues and rising labour costs, along with the Covid-19 pandemic recovery, not be in line with management's forecasts; • Corroborated forecasted revenue figures to sales pipelines, including customer correspondence, along with holding discussions with members outside of the finance team;

Key Audit Matter – Group continued	How our scope addressed the matter – Group continued
	• Assessed the accuracy of management's historical forecasting through a comparison of budget to actual data and historical variance trends; and • Assessed the adequacy of going concern disclosures for the Group in accordance with the requirements of IAS 1 'Presentation of financial statements'.
Relevant disclosures in the Annual Report and Accounts 2022 • Director's report: Going concern • Accounting policies: Note 3, Basis of Measurement	**Our results** We have nothing to report in addition to that stated in the 'Conclusions relating to going concern' section of our report.

Key Audit Matter – Parent Company	How our scope addressed the matter – Parent Company
Impairment of investments and intercompany receivables We identified the impairment of investments and intercompany receivables as a significant risk, which was one of the most significant assessed risks of material misstatement due to error. Investments in subsidiaries are carried at cost less impairment and recorded at £13,740,000 (2021: £13,841,000). Intercompany receivables are carried at their recoverable value and are recorded at £1,045,000 (2021: £82,000). The determination of whether an investment in subsidiary or intercompany receivable needs to be impaired includes assumptions about the profitability of the underlying business and growth, which involves significant management judgement. Management assesses whether there are any indicators of impairment losses in the carrying value of the investments. The directors have reviewed the forecasts for the subsidiaries and concluded under IAS 36 "Impairment of Assets", no impairment charges should be recognised in respect of impairment of subsidiaries. In respect of intercompany receivables, management have performed an assessment under IFRS 9 "Financial Instruments" to determine the expected credit loss. Management have assessed that an expected credit loss of £Nil is required.	In responding to the key audit matter, we performed the following audit procedures: **Investments** • Assessed whether the accounting policies adopted by the directors are in accordance with the requirements of IAS 36; • Obtained management's impairment review and compared it to our understanding of the business, with consideration of the appropriateness of the key assumptions as follows: – forecast revenue growth rates and revenue pipeline by reference to our understanding of the business, knowledge of the market and post year end sales discussions; – forecast gross margin rates by reference to our understanding of the business and the mix of sales expected to be generated looking forward; and – the discount factor used by reference to comparable market data. • Challenged management's assumptions and checked the arithmetical accuracy of management's impairment model; • Performed sensitivity analysis to assess the impact of different assumptions utilised in the impairment models, including the key assumptions of revenue growth rates, gross margin rates and discount rates; • Tested the accuracy of management's historic forecasting through a comparison of prior year impairment reviews to actual results; and • Assessed the reasonableness of additional indicators of the recoverability of the investments by reference to the market capitalisation of the business at the balance sheet date. **Intercompany receivables** • Obtained management's expected credit loss model in respect of intercompany receivables and challenged key assumptions such as the probability of default; • Evaluated the ability of the respective group undertaking to make payment of the full amount owed by ensuring they have sufficient cash balances; and • Challenged management around their reasoning for classifying these intercompany receivables as debt instruments instead of investments in subsidiaries.
Relevant disclosures in the Annual Report and Accounts 2022 • Parent company accounting policies: Note 2, Investments; and Note 2, Loan to Group undertakings • Parent company financial statements: Note 4, Investments; and Note 5, Trade and other receivables	**Our results** Based on our audit work, we did not identify any material misstatement in management's impairment review, and we consider that the review was carried out in accordance with IAS 36. We did not identify any material misstatement of the expected credit loss model for intercompany receivables.

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

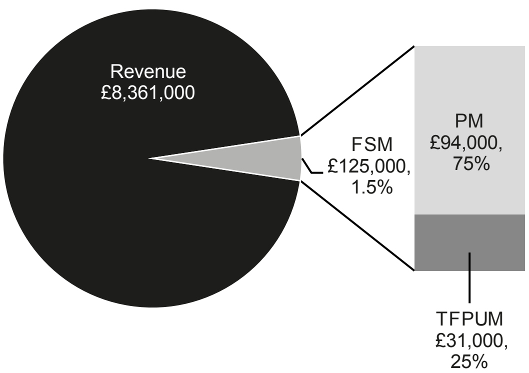
Materiality was determined as follows:

Materiality Measure	Group	Parent Company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£125,000, which is approximately 1.5% of the Group's revenue.	£81,000, which is 1% of the parent company's total assets, capped at its component materiality, being 65% of the Group's materiality.
Significant judgements made by auditor in determining the materiality	In determining materiality, we made the following significant judgements: • Revenue is considered to be the most appropriate benchmark as it is a key performance metric for the Group used in management information. Furthermore, there were significant profitable sales in the final quarter of the year and share options to senior management include non-market conditions based on revenue performance. • A market-based measurement percentage was chosen which reflected our knowledge of the business from prior year audits and aligns with our firm methodology. Materiality for the current year is lower than the level that we determined for the year ended 31 March 2021 to reflect the change in the benchmark and measurement percentage from 5% of the Group's loss before tax from continuing operations to 1.5% of the Group's revenue for the reasons stated above, which was lower.	In determining materiality, we made the following significant judgements: • Total assets is considered to be the most appropriate benchmark as the parent company principal activity is that of a holding company, which does not generate any revenue. • A market-based measurement percentage was chosen which reflected our knowledge of the business from prior year audits and aligns with our firm methodology. Materiality for the current year is lower than the level that we determined for the year ended 31 March 2021 to reflect the lower total assets at the year end and the capping at 65% of group materiality referred to above, which was lower this year.

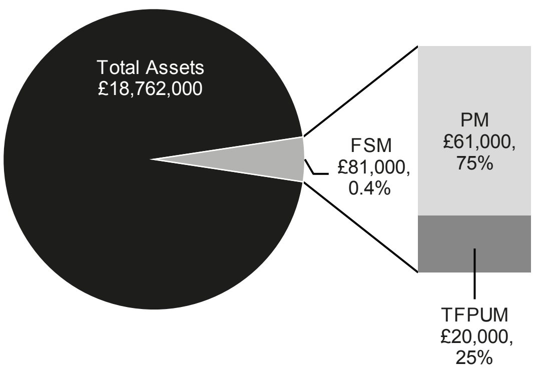
Materiality Measure	Group	Parent Company
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	£94,000, which is 75% of financial statement materiality.	£61,000, which is 75% of financial statement materiality.
Significant judgements made by auditor in determining the performance materiality	In determining performance materiality, we made the following significant judgements: • Few unadjusted misstatements identified in prior years; • The Group historically having a strong control environment with few control points identified in prior years; and • The low number of components within the Group and the significant extent of audit procedures planned and performed in respect of these components.	In determining performance materiality, we made the following significant judgements: • Few unadjusted misstatements identified in prior years; and • The parent company historically having a strong control environment with few control points identified in prior years.
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
Specific materiality	We determined a lower level of specific materiality for the following areas: • Directors’ remuneration; and • Related party transactions.	We determined a lower level of specific materiality for the following areas: • Directors’ remuneration; and • Related party transactions.
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.	
Threshold for communication	£6,250 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£4,050 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

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

Overall materiality – Group



Overall materiality – Parent company



FSM: Financial statements materiality, PM: Performance materiality, TFPUM: Tolerance for potential uncorrected misstatements

An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the Group's and the parent company's business and in particular matters related to:

Understanding the Group, its components, and their environments, including Group-wide controls

- We obtained an understanding of the Group and its environment, including Group-wide controls, and assessed the risks of material misstatement at the group level. The Group's accounting process is resourced through a central function and team within the UK, with the accounting for all components carried out from this central function and team; and
- We obtained an understanding of the design and implementation of relevant controls over revenue recognition, management's going concern process and the carrying value of investments and intercompany receivables.

Identifying significant components

- We evaluated the identified components to assess their significance and determined the planned audit response based on a measure of materiality. We determined significance as a percentage of the group's total assets, revenue and profit or loss before tax.

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

- A full scope audit of the financial statements of the parent company, Thruvision Group plc and of the financial information of Thruvision Limited and Thruvision Inc. using component materiality; and
- All audit work was undertaken by the group engagement team and therefore no component auditors were used.

Performance of our audit

- Full-scope audit was performed in a hybrid manner, using a mixture of remote working and working at the client offices in Didcot, England, where 47% of the group's revenues are generated.
- 100% of the group's revenue, total assets and loss before tax were included in the scope of our full-scope audit procedures based on the above strategy. This is consistent with the prior year approach.
- We carried out our year-end stocktake attendance in person.

Changes in approach from previous period

- There have been no changes in our approach compared to the previous period.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual report and accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Responsibilities of Directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the parent company, and determined that the most significant which are directly relevant to the financial statements are those related to the financial reporting framework, being UK-adopted international accounting standards (for the Group), Financial Reporting Standard 101 'Reduced Disclosures Framework' (for the parent company), the Companies Act 2006, the QCA Corporate Governance Code, and the AIM Rules for Companies. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements, including those laws and regulations relating to employee matters.
- We obtained an understanding of how the Group and the parent company are complying with those legal and regulatory frameworks by making enquiries of management and the company secretary. We corroborated our enquiries through our review of board minutes.
- We assessed the susceptibility of the group and parent company's financial statements to material misstatement, including how fraud might occur, by making enquires of management and those charged with governance. We utilised internal and external information to corroborate these enquiries and to perform a fraud risk assessment. We considered the risk of fraud to be highest through the potential for management override of controls.

- Our audit procedures involved:
  - evaluation of the design and implementation of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on manual journals, especially those posted directly to cash, revenue (for subsidiary entities) and sub-ledger control accounts, as well as those impacting areas of estimation uncertainty;
  - revenue testing, with a focus on judgements made around recognition in the final quarter and those relating to bill-and-hold revenue;
  - challenging assumptions and judgements made by management in its significant accounting estimates;
  - review of unusual significant transactions noted during the audit; and
  - completing audit procedures to conclude on the compliance of disclosures in the annual report and accounts with the applicable financial reporting framework requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the Group's and the parent company's operations, including the nature of their objectives and strategies, to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
  - knowledge of the industry in which the group and the parent company operate; and
  - understanding of the legal and regulatory requirements specific to the group and the parent company.
- We communicated relevant 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.

Use of our report

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

Amanda James BFP ACA FCCA
Senior Statutory Auditor for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Southampton

29 September 2022

Consolidated income statement
for the year ended 31 March 2022

	Notes	**Year ended 31 March 2022 £'000**	Year ended 31 March 2021 £'000
Revenue	2	**8,361**	6,700
Cost of sales		**(4,459)**	(3,486)
Gross profit		**3,902**	3,214
Administration costs		**(5,789)**	(6,020)
Other income		**1**	49
Operating loss	3	**(1,886)**	(2,757)
Finance income	6	**17**	22
Finance costs	7	**(20)**	(21)
Loss before tax		**(1,889)**	(2,756)
Income tax	8	**231**	266
Loss for the year from continuing operations		**(1,658)**	(2,490)

Discontinued operations			
Profit from discontinued operations after tax	25	**–**	2
Loss for the year		**(1,658)**	(2,488)
Loss per share			
Loss per share – basic	9	**(1.14p)**	(1.71p)
Loss per share – diluted	9	**(1.14p)**	(1.71p)

All operations are continuing

Adjusted loss:			
Loss before tax from continuing operations	4	**(1,889)**	(2,756)
Share-based payment (credit)/charge	4	**(366)**	409
Adjusted loss before tax on continuing operations		**(2,255)**	(2,347)

Consolidated statement of comprehensive income
for the year ended 31 March 2022

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Loss for the year from continuing operations	**(1,658)**	(2,490)
Profit for the year from discontinued operations	**–**	2
Loss for the year attributable to owners of the parent	**(1,658)**	(2,488)
Other comprehensive loss from continuing operations		
Exchange differences on retranslation of foreign operations	**(6)**	(48)
Net other comprehensive expense to be reclassified to profit or loss in subsequent periods	**(6)**	(48)
Total comprehensive loss attributable to owners of the parent	**(1,664)**	(2,536)

Consolidated statement of financial position
at 31 March 2022

Assets	Notes	31 March 2022 £'000	31 March 2021 £'000
Non-current assets			
Property, plant and equipment	10	**1,175**	1,103
Intangible assets	11	**79**	48
		1,254	1,151
Current assets			
Inventories	12	**3,868**	4,419
Trade and other receivables	13	**1,982**	1,442
Current tax recoverable		**210**	378
Cash and cash equivalents	14	**5,441**	7,268
		11,501	13,507
Total assets		**12,755**	14,658
Equity and liabilities			
Attributable to owners of the parent			
Equity share capital	17	**1,466**	1,458
Share premium	1.12	**201**	47
Capital redemption reserve	1.12	**163**	163
Translation reserve	1.12	**61**	67
Retained earnings	1.12	**7,554**	9,578
Total equity		**9,445**	11,313
Non-current liabilities			
Other payables	16	**600**	643
Provisions	21	**38**	38
		638	681
Current liabilities			
Trade and other payables	15	**2,494**	2,489
Provisions	21	**178**	175
		2,672	2,664
Total liabilities		**3,310**	3,345
Total equity and liabilities		**12,755**	14,658

The financial statements on pages 42 to 76 were approved by the Board of Directors on 29 September 2022 and were signed on its behalf by:

Tom Black
Chairman

Colin Evans
Chief Executive Officer

Consolidated statement of changes in equity
for the year ended 31 March 2022

	Ordinary Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Translation reserve £'000	Retained earnings £'000	Total equity £'000
At 31 March 2020	1,455	–	163	115	11,652	13,385
Shares issued	3	47	–	–	–	50
Share-based payment charge	–	–	–	–	414	414
Transactions with Shareholders	3	47	–	–	414	464
Loss for the year	–	–	–	–	(2,488)	(2,488)
Other comprehensive loss	–	–	–	(48)	–	(48)
Total comprehensive loss	–	–	–	(48)	(2,488)	(2,536)
At 31 March 2021	1,458	47	163	67	9,578	11,313
Shares issued	8	154	–	–	–	162
Share-based payment credit	–	–	–	–	(366)	(366)
Transactions with Shareholders	8	154	–	–	(366)	(204)
Loss for the year	–	–	–	–	(1,658)	(1,658)
Other comprehensive loss	–	–	–	(6)	–	(6)
Total comprehensive loss	–	–	–	(6)	(1,658)	(1,664)
At 31 March 2022	**1,466**	**201**	**163**	**61**	**7,554**	**9,445**

Consolidated statement of cash flows
for the year ended 31 March 2022

	Note	**Year ended 31 March 2022 £'000**	Year ended 31 March 2021 £'000
Operating activities			
Loss before tax from continuing operations		**(1,889)**	(2,756)
Profit before tax from discontinued operations		**–**	2
Loss before tax		**(1,889)**	(2,754)
Non-cash adjustment to reconcile loss before tax to net cash flows			
Depreciation of property, plant and equipment	10	**546**	504
Amortisation of intangible assets	11	**15**	14
Share-based payment (credit)/charge	18	**(366)**	409
Finance income	6	**(17)**	(22)
Finance costs	7	**20**	21
Working capital adjustments			
(Increase)/decrease in trade and other receivables		**(540)**	779
Decrease in financial instruments		**–**	203
Decrease/(increase) in inventories	12	**551**	(748)
Increase/(decrease) in trade and other payables		**317**	(326)
Increase in provisions	21	**3**	175
(Decrease)/increase in deferred revenue	16	**(683)**	891
Transfers from fixed assets to inventory		**70**	103
Cash utilised in operations		**(1,973)**	(751)
Net tax receipts		**399**	184
Net cash flow from operating activities		**(1,574)**	(567)
Investing activities			
Property, plant & equipment additions	10	**(187)**	(407)
Leased property additions	10	**(502)**	(84)
Intangible asset additions	11	**(46)**	–
Proceeds from sales of fixed assets		**–**	20
Interest received	6	**17**	22
Net cash flow from investing activities		**(718)**	(449)
Financing activities			
Proceeds from issue of shares		**162**	50
New leases taken out in the year	20	**509**	84
Leasing obligations repayments	20	**(180)**	(186)
Lease disposals	20	**–**	(51)
Finance costs	7	**(20)**	(21)
Net cash flow from financing activities		**471**	(124)
Net decrease in cash and cash equivalents		**(1,821)**	(1,140)
Cash and cash equivalents at the beginning of the year		**7,268**	8,431
Effect of foreign exchange rate changes on cash and cash equivalents		**(6)**	(23)
Cash and cash equivalents at end of year	14, 26	**5,441**	7,268

Notes to the financial information

1. Accounting policies

1.1 Basis of preparation
On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board.

Thruvision Group plc transitioned to UK-adopted International Accounting Standards in its company financial statements on 1 April 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework.

The financial statements of Thruvision Group plc have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

Monetary amounts are expressed in Pounds Sterling ('GBP') and are rounded to the nearest thousand (£'000), except where otherwise stated.

The financial statements were authorised for issue by the Board of Directors on 29 September 2022 and the Statement of Financial Position was signed on the Board's behalf by Tom Black and Colin Evans.

The Company is a public limited company incorporated and domiciled in England and Wales and whose shares are quoted on AIM, a market operated by the London Stock Exchange.

The consolidated financial statements have been prepared on a historical cost basis, except:

- Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

1.2 Accounting policies
The accounting policies which apply in preparing the financial statements for the period are set out below. These policies have been consistently applied to all periods presented in these consolidated financial statements.

1.3 Basis of measurement
Going concern
The Group's loss before tax from continuing operations for the year was £1.9 million (2021: £2.8 million). As at 31 March 2022 the Group had net current assets of £8.8 million (31 March 2021: £10.8 million) and net cash reserves of £5.4 million (31 March 2021: £7.3 million).

The Board has taken the cash flow forecast for the period 1 September 2022 to 30 September 2023, reviewed the key assumptions unpinning the projection, and considered a range of downside scenarios to assess whether the business has adequate financial resources to continue operational existence and to meet liabilities as they fall due for a period of not less than 12 months from the approval of the financial statements.

In completing the above analysis the Board has reviewed the following:

- The current pipeline of potential sales opportunities, differentiating between existing customers and new customers, smaller sales and large, multi-unit sales. Potential scenarios included a general downgrading of smaller units sales volumes and the removal of larger sales for which confidence of securing an order was not already high based on customer interaction to date
- Market, political and recessionary economic trends that may adversely impact the prospects of revenue realisation from a broad range of customers in all geographical areas of operation
- The potential for supply chain issues to result in higher purchasing costs and reduced margins, or an inability to fulfil all orders received due to raw materials shortages
- An expectation of retaining a materially higher overheads cost base than the prior year, aligned to support a growing business
- General inflationary pressures that may have similar impacts on revenues and costs to those described above
- The availability of manufacturing facilities and the impact of unforeseen outages

Reverse stress testing has been performed to identify and analyse the circumstances under which the Group's business would no longer be viable without recourse to new funding throughout the period reviewed. The testing undertaken applied various stresses simultaneously even though it would not be considered reasonable to expect all downsides to occur concurrently.

However, despite this assertion, the above modelling demonstrates that cash generation is sufficient for the business to remain a going concern, without recourse to alternative sources of finance, for the period to 30 September 2023.

Furthermore, it should be noted that in adverse circumstances various mitigating actions, not accounted for in the testing process, could be taken to maximise liquidity including, for example, a reduction of inventory levels and discretionary spend.

1. Accounting policies continued

Overall, the Group is well placed to manage business risk effectively and the Board reviews the Group's performance against budgets and forecasts on a regular basis to ensure action is taken where needed.

The Directors are satisfied that the Group has adequate resources to continue operating for a period of at least 12 months from the approval of these accounts. For this reason, they have adopted the going concern basis in preparing the financial statements.

1.4 Basis of consolidation
The consolidated financial statements for the year include those of Thruvision Group plc and all of its subsidiary undertakings (together 'the Group') drawn up at 31 March 2022.

Subsidiary undertakings are those entities controlled directly or indirectly by the Company. Control is achieved when the Group is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Assets, liabilities, revenue and costs of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiaries are consolidated using the Group's accounting policies. All inter-company balances and transactions, including unrealised profits arising from them, are eliminated on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Classification as a discontinued operation occurs on disposal or, when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income is re-presented as if the operation had been discontinued from the start of the comparative year.

1.5 Critical accounting estimates and judgements
In preparing the consolidated financial statements, management has to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. These judgements and estimates involve assumptions in respect of future events, the outcomes of which can vary from what is anticipated.

The critical judgements made in preparing the consolidated financial statements are detailed below.

1.5.1 IFRS 15 Revenue from contracts with customers
The business sometimes sells units to customers under a bill-and-hold type arrangement. This involves a customer being billed for goods once they are delivered to a location agreed with the customer. The goods are not shipped to the customer until a later date, although for these types of sales the customer is responsible for shipping from the agreed delivery location to the address where the goods are installed.

In each instance of a sale an assessment is made to establish when control has been transferred to the customer, even though the customer does not have physical possession of the goods. Revenue is recognised when control of the goods transfers to the customer subject to the following criteria having also been met:

- the reason for the bill-and-hold arrangement must be substantive (for example, the customer has requested the arrangement);
- products must be identified separately as belonging to the customer;
- products must be ready for physical transfer to the customer; and
- products cannot be used or directed to another customer.

1.5.2 Trade receivables
Under IFRS 9, for impairment assessment purposes, trade receivables are grouped at the lowest levels for which there are independent cash inflows (per customer). IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. This is explained in detail in note 1.18.4 within the accounting policies note below.

1. Accounting policies continued

1.5.3 Employee Share Options Schemes vesting determination
At each year end the Remuneration Committee of the Group considers outstanding awards under the Long Term Incentive Plan that have yet to vest and are subject to performance conditions. Whether or not awards vest is determined by the attainment of pre-prescribed revenue targets, which are both annual and cumulative. If the Remuneration Committee considers that the awards will not vest, or that future targets cannot be attained and therefore awards are not capable of vesting, the cumulative charge for the relevant tranche of share options is reversed, and this is credited to Administration costs on the Income statement. If the Remuneration Committee considers that the awards are capable of vesting at the end of the performance period no adjustment is made in respect of these awards and the calculated charge is included within Administration costs. In making its considerations in respect of outstanding awards the Remuneration Committee necessarily exercises judgement when reviewing all the information available and pertinent to the forecasting of annual revenue. In doing so the Committee completes a comprehensive assessment of the following:

- The latest business performance and revenue forecasts discussed by the Board
- The current pipeline of potential sales opportunities, supported by recent and on-going discussions with existing and prospective customers
- Prior experience of sales opportunity conversions
- Market and economic trends that may impact the prospects of revenue realisation
- Supply chain and manufacturing capacity constraints that determine the ability to satisfy potential orders
- The differentiation between, and impact of, small orders and large, multi-unit orders when considering the composition and accuracy of annual revenue forecasts

Given the binary nature of the performance obligations being achieved or not, the Remuneration Committee does not ascribe a proportional expected outcome to the charge.

The critical estimates made in preparing the consolidated financial statements are detailed below:

1.5.4 Identifying performance obligations for revenue apportionment
For sales made in the year where goods and services were bundled together when quoted to a customer, the revenue attributable to each separate deliverable was assessed internally and apportioned between each performance obligation at the rate the Group expects to be entitled in exchange of the goods and services.

This was completed either by reference to similar sales or our price list. In the absence of a standardised sales price reference, the known or estimated costs to perform the performance obligation along with the average gross margin applied will be used to calculate the revenue for a particular performance obligation. Revenue is either recognised in the month the goods or service are delivered, or over a period in the case of extended warranty revenue. Revenue is recognised by separating out the key deliverables in long-term development contracts.

1.5.5 Inventories
In recognising the net realisable values of inventories, Management utilises the most reliable information available at each reporting date. Management reviews inventories bi-annually, identifying where necessary allowances for obsolete, slow moving or defective inventories. The carrying balance of inventories as at 31 March 2022 is detailed in note 12.

1.6 Intangible assets
Intangible assets relate to externally purchased items of software and capitalised costs on patents and trademarks. The estimated useful lives of intangible assets are as follows:

- Software – three to five years;
- Patents and trademarks – five to twenty years.

Amortisation is charged to administration expenses in the Consolidated income statement on a straight-line basis.

The carrying value of intangible assets are reviewed for impairment when events or changes in circumstance indicate that these may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is estimated to be the higher of the other intangible assets fair value less costs of disposal and its value in use, and is determined for an individual asset unless the asset does not generate cash flows that are largely independent of those from other assets of groups of assets. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which it belongs.

1. Accounting policies continued

1.7 Revenue recognition
Revenue arises mainly from the sale of hardware consisting of Thruvision units and accessories, and after-sales maintenance and extended warranty services. Revenue is also derived from bespoke R&D solutions, short-term rental and long-term leasing options, and delivery revenue resulting from shipping recharges. Software is also sold with the product but, as this is integral to the operation of the unit, this is not unbundled.

To determine whether to recognise revenue, the Group follows a five-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

A standard sale entered into with a customer will contain a bundle of products and services comprising Thruvision units as well as accessories, software, delivery and installation and related after-sales service. The contract is then assessed to determine whether it contains a single combined performance obligation or multiple performance obligations. If applicable the total transaction price is allocated amongst the various performance obligations based on their relative stand-alone selling prices. On a typical sale these will be:

- Hardware (unit and accessories)
- Hardware (computer equipment including standard software)
- Extended warranty or support
- Installation, commissioning and on-site training
- Delivery to site

The relevant proportion of the total transaction price allocated to unsatisfied or partially unsatisfied performance obligations are deferred, and this is shown within deferred revenue in note 15.

Revenue is recognised either at a point in time or over time, when, or as, the Group satisfies performance obligations by transferring the promised goods or services to its customers. The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in its consolidated statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its consolidated statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

The practical expedient included in IFRS 15 is used such that the Group does not adjust the promised amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between when the good or services are transferred to the customer and when the customer pays for that goods or services will be one year or less.

Hardware sales
Revenue from the sale of Thruvision units and accessories is recognised when or as the Group transfers control of the asset to the customer. For Ex-works (Incoterms 2020) sales this is at the point the goods are made available to the customer for collection. Bill-and-hold arrangements occur when the Group invoices a customer for equipment that is transfers at a point in time, but retains physical possession of the equipment until it is transferred to the customer in the future. This might occur to accommodate delays in a customer's readiness for installation, or a customer's lack of available space for the product.

Non-customised software is supplied under licences with an indefinite licence period which convey a right to use software as it exists at the start of the licence period. The Group will also offer software updates to customers free of charge.

Other Incoterms are used and these, in addition to, when control is deemed to have been passed to the Customer, are used to determine the point of revenue recognition.

Other delivery terms of sales include bill and hold arrangements such as Free on Board ('FOB') terms. FOB Origin 'named place of delivery' (Incoterms 2020 UK) determines where the goods are to be delivered and made available to the customer at the named place of delivery. Conversely, FOB Destination describes where the customer is responsible for transportation from the named place of delivery to the installation site. In both cases revenue is recognised when title passes upon delivery to the named place.

1. Accounting policies continued

The Group sometimes uses alternative terms of sales, including those where Thruvision takes on all the risks and costs of delivery of goods to an agreed upon location. In these cases revenue is recognised after delivery has taken place and the Customer has taken control of the goods.

Warranty arrangements
The Group provides a basic one-year product warranty on Thruvision units and accessories whether sold on a stand-alone basis or as part of an integrated system. Under the terms of this warranty customers can return the product for repair or replacement if it fails to perform in accordance with published specifications. These assurance-type warranties are not considered to be a separate performance obligation and so revenue is not allocated to this. The estimated costs of serving these warranties are recognised as provisions under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

Extended warranties and enhanced support
The Group enters into fixed price maintenance and extended warranty contracts with its customers for non-cancellable terms between one and five years in length. Customers are required to pay in advance, with payments received in advance of the performance obligation being satisfied recognised as contract liabilities.

- Extended warranty programme – these agreements cover repairs and after-sales support for Thruvision hardware outside the Group's standard warranty period. This service involves an indeterminate number of acts as the Group is required to 'stand ready' to perform whenever a request falling within the scope of the programme is made by a customer. The benefits of the Group standing ready are received and consumed immediately and the service has therefore been assessed as a single performance obligation that is transferred over time (i.e. the warranty period). Revenue is recognised on a straight-line basis over the term of the contract. This method best depicts the transfer of services to the customer because:

a) the Company's historical experience demonstrates no statistically significant variation in the quantum of services provided in each year of a multi-year contract; and

b) no reliable prediction can be made as to if and when any individual customer will require service.

- Enhanced support – these agreements provide customers with a faster response time, free functionality upgrades, free spare system provision as well as regularly scheduled maintenance on hardware purchased from the Group. The contracts consist of a single performance obligation that is transferred over time (i.e. the contract period) because they involve a series of services that are substantially the same and the benefit of each service is received and consumed immediately. Revenue is recognised over the time of the contract on a straight-line basis.

R&D development projects and bespoke solutions
The Group has entered into contracts in the past for the design, development and installation of a tailored or new generation Thruvision system in exchange for a fixed fee. Revenue derived from services billed to customers on a time and materials or fixed-price basis represents the value of work completed, including attributable profit, based on the stage of completion achieved on each project. For time and materials projects, revenue is recognised as services are performed. For fixed-price projects, revenue is recognised according to the stage of completion which is determined using the percentage-of-completion method based on the Directors' assessment of progress against key project milestones and risks, and the ratio of costs incurred to total estimated project costs. The cumulative impact of any revisions to the estimate of percentage-of-completion of any fixed-price contracts is reflected in the period in which such impact becomes known.

1.8 Contract assets
Contract assets are in relation to the Group's right for consideration in exchange of goods and services that the Group has transferred to a customer. Contract assets represents:

- revenue recognised to date less amounts invoiced to customers; and
- prepaid cost of sales to be released against future revenue.

There are no significant judgements made in determining the amount of the costs incurred to obtain or fulfil a contract with a customer. Revenue and cost of sales are recognised over the life of the contract, as well as any amounts not yet invoiced to the customer.

1.9 Trade and other receivables
Trade receivables are recognised and measured at their original invoiced amount less provision for any uncollectible amounts. An estimate for expected credit losses is made when the collection of the full amount is no longer probable. Bad debts are written off to the income statement when they are identified. Financial assets are initially measured at fair value and subsequently at amortised cost.

1. Accounting policies continued

1.10 Provisions
Provisions are recognised in the statement of financial position when there is a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation; discounting at a pre-tax discount rate when the time value of money is material. Onerous contract provisions are recognised for unavoidable costs of meeting the obligations under a contract that exceed the economic benefits expected to be received under the contract.

1.11 Income taxes
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the statement of financial position's date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

1.12 Equity
Equity comprises the following:

- Share capital represents the nominal value of equity shares.
- Share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- The Capital redemption reserve represents a historic balance transferred from deferred shares which failed to vest. These shares were cancelled on 25 September 2019 following Shareholder approval.
- The Translation reserve represents the impact of currency translation on the foreign currency net investment in Thruvision Inc.
- Retained Earnings represents the cumulative total profit or loss attributable to Shareholders, excluding those items recognised in other reserves.

Rights, preferences and restrictions attached to Ordinary Shares are as follows:

The holders of Ordinary Shares are entitled to receive the Company's reports and accounts, to attend and speak at general meetings of the Company, to appoint proxies and to exercise voting rights. To be effective, electronic and paper proxy appointments and voting instructions must be received at the Company's registered office, or such other place in the UK specified in the relevant notice of meeting, not later than 48 hours before a general meeting. Subject to applicable statutes, there are no restrictions on transfer or limitations on the holding of Ordinary Shares and no requirements for prior approval of any transfers other than:

- certain restrictions may from time to time be imposed by laws and regulations (for example insider trading laws); and
- pursuant to the Company's Share dealing code whereby the Directors and certain senior employees of the Company require approval to deal in the Company's Shares.

None of the Shares carry any special rights with regard to control of the Company. There are no known arrangements under which financial rights are held by a person other than the holder of the Shares and no known agreements on restrictions on Share transfers or on voting rights.

1. Accounting policies continued

1.13 Research and development costs
Research expenditure is charged to the income statement in the year in which it is incurred.

Expenditure incurred in the development of software and hardware products for use or sale by the business, and their related intellectual property rights, is capitalised as an intangible asset only when:

- technical feasibility has been demonstrated;
- adequate technical, financial and other resources exist to complete the development, which the Group intends to complete and use;
- future economic benefits expected to arise are deemed probable; and
- the costs can be reliably measured.

Development costs not meeting these criteria are expensed in the income statement as incurred. When capitalised, development costs are amortised on a straight-line basis over their useful economic lives once the related software and hardware products are available to use. During the period of development, the asset is tested for impairment annually. No development costs have been capitalised in the period (2021: £nil) (see note 11).

1.14 Property, plant and equipment
Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for any long-term construction projects if the recognition criteria are met. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. All other repair and maintenance costs are recognised in administration expenses within the income statement as these costs are incurred. Depreciation is charged on the following bases to reduce the cost of the Company's property, plant, and equipment to their residual values over their expected useful lives at the following rates:

Leasehold improvements – 20% to 33% straight line;

Right-of-use assets – over the life of the lease (typically 25% or 33% straight line);

Office furniture and equipment – 20% straight line;

Computers, ancillary equipment and electronic test equipment – 33% straight line;

Motor vehicles – 25% straight line;

Demonstration stock – 20% to 50% straight line; and

Plant and equipment – 20% to 33% straight line.

In the case of right-of-use assets, expected useful lives are determined by reference to comparable owned assets or the lease term, if shorter. The carrying value of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may be impaired.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

1.15 Inventories
Inventories are valued at the lower of cost and net realisable value on a first-in first-out basis. In the case of finished goods, cost includes all direct expenditure and production overheads based on the normal level of activity. Where necessary, an appropriate allowance is made for obsolete, slow-moving and defective inventories. In certain instances, stock items are used for demonstration purposes, in which case the stock item is classified as a fixed asset and depreciated in line with the Group depreciation policy.

1.16 Trade and other payables
Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, they are measured at amortised cost.

1.17 Cash and cash equivalents
Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

1. Accounting policies continued

1.18 Financial instruments

1.18.1 Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

1.18.2 Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss ('FVTPL'); and
- fair value through other comprehensive income ('FVOCI').

In the periods presented the Group did not have any financial assets categorised as FVOCI.

The classification is determined by both:

- the Group's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within administration costs.

1.18.3 Subsequent measurement of financial assets

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

1.18.4 Impairment of financial assets

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of each instrument.

In making these considerations, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

1. Accounting policies continued

1.18.5 Trade and other receivables and contract assets
The Group assesses each trade receivable individually in making its judgement as to whether any impairment to the expected amount receivable is necessary, given the number of sales recorded. The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets, and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

1.18.6 Classification and measurement of financial liabilities
The Group's financial liabilities include trade and other payables and derivative financial instruments. Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

1.19 Foreign currency translation
The Group's consolidated financial statements are presented in Sterling, which is also the Parent Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the statement of financial position's date. All differences are taken to the income statement, except when hedge accounting is applied and for differences on monetary assets and liabilities that form part of the Group's net investment in a foreign operation. These are taken to other comprehensive income until the disposal of the net investment, at which time they are reclassified from equity to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

The assets and liabilities of foreign operations are translated into Sterling at the rate of exchange ruling at the statement of financial position's date. Income and expenses are translated using actual daily rates. The resulting exchange differences are recognised in other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

Approximately 60% (2021: 68%) of Group revenue was invoiced in USD and approximately 11% (2021: 4%) of Group revenue was invoiced in EUR. The stability in the prevailing USD/GBP exchange rate throughout the year meant the Group was exposed to minimal foreign currency exchange gains and losses.

The USD/Sterling exchange rates used in the financial statements is as follows:

	2022	2021
Average exchange rate for the year	**1.3666**	1.3067
Exchange rate at the year end	**1.3121**	1.3746

1.20 Retirement benefits
The Group operates a Group defined contribution personal pension plan for certain employees. Pension costs are presented annually and charged to the income statement as they arise.

1.21 Share-based payments
1.21.1 Types of share incentive schemes
The following share option schemes are relevant and the Share Option charge for the year is based on options granted under these:

a) Long-Term Incentive Plan (LTIP)
All awards made under the LTIP prior to 31 December 2018 are subject to service conditions.

All awards made under the LTIP after 1 January 2019 are subject to service conditions and performance conditions that relate to revenue (with a profit related underpin) over the subsequent three-year period.

1. Accounting policies continued

b) Enterprise Management Incentive Scheme
Certain employees of the Group receive remuneration in the form of share options under an Enterprise Management Incentive Scheme ('EMI'). The first option awards under the scheme were made in the year ended 31 March 2018 and further awards have been made in the years ending 31 March 2019, 31 March 2020, 31 March 2021 and 31 March 2022.

All awards made under the EMI scheme prior to 31 December 2018 are subject to service conditions.

All awards made after 1 January 2019 under the EMI scheme are subject to service conditions and performance conditions that relate to revenue and profit in subsequent years. Full details of the performance conditions are given in the Remuneration report on page 30 and 31.

c) Sharesave Scheme
The Group have in place a Thruvision Group Sharesave Scheme, which allows eligible employees to use regular savings to purchase shares. Options are granted at a discount of 20% of the market value of the shares. No financial performance criteria are attached to these options, and they vest three years from the date of grant with an exercise period of six months. There are no cash settlement alternatives. The fair value is determined using the Black-Scholes model.

d) Unapproved Share Option Scheme
Certain employees of the Group receive remuneration in the form of share options under an Unapproved Share Option Scheme including awards to overseas employees. The first option awards under the scheme were made in the year ended 31 March 2018 and further awards have been made in the years ending 31 March 2019, 31 March 2020, 31 March 2021 and 31 March 2022.

All awards made prior to 31 December 2018 under the Unapproved Share Option Scheme are subject to service conditions. All awards made after 1 January 2019 under the Unapproved Share Option Scheme are subject to service conditions and performance conditions that relate to revenue and profit in subsequent years. Full details of the performance conditions are given in the Remuneration report on page 30 and 31.

1.21.2 Valuation and measurement of share-based payments relevant to all classes of share options
The total amount to be expensed over the vesting period of the awards is determined by reference to the fair value at the date on which the awards or options are granted and the number of awards that are expected to vest. The fair value is determined using the Black-Scholes model. Expected volatility was determined taking into account historic volatility of the Group's share price and the volatility of similar companies' share price, with the specific assumptions explained in more detail in note 18 on pages 66 to 69. The number of awards expected to vest are adjusted to reflect the extent to which non-market performance and service conditions are expected to be satisfied, based on conditions prevailing at each statement of financial position's date and up to the date of vesting. At the vesting date, the cumulative expense recognised in the Income statement is adjusted to take account of the number of awards and options that actually vest on the above basis. At the date of grant, it was assumed that the non-market performance conditions would be met.

If it is determined that the awards will not vest, or are not capable of vesting, the cumulative amount charged to date on the tranche of share options is reversed as a credit to the Income statement.

At each year end the Remuneration Committee of the Group considers outstanding awards under the Long Term Incentive Plan that have yet to vest and are subject to certain performance conditions. The Remuneration Committee will, where relevant, consider revenue and profit reported to date, the most recent financial forecast in respect of the performance period and other potential opportunities not included in the most recent forecast but which could be secured in the performance period. The Remuneration Committee will then consider the likelihood of achieving the financial metrics in the performance condition to ascertain the likelihood of the performance condition being achieved. If the Remuneration Committee considers that the awards are unlikely to vest, or are not capable of vesting, an adjustment will be made to the cumulative charge based on the number of options expected to vest at each reporting date. If the Remuneration Committee considers that the awards are capable of vesting at the end of the performance period, no adjustment is made to the associated Income statement charge in respect of these awards.

1.21.3 Employee Benefit Trust
The Thruvision Group Plc Employee Benefit Trust (the 'Trust') has the ability to purchase and holds Ordinary Shares of the Company in connection with employee share schemes. To date the Trust has never acquired shares in Thruvision Group plc and hence the Trust not included in the Group's consolidated financial statements. Any consideration paid or received by the Trust for the purchase or sale of the Company's own shares is shown as a movement in Shareholders' equity

1. Accounting policies continued

1.22 IFRS 16 Leases
The Group makes the use of leasing arrangements principally for the provision of the main warehouse and related facilities, office space, and motor vehicles. The rental contracts for offices are typically negotiated for terms of between 3 and 5 years. Lease terms for motor vehicles have lease terms of between 2 and 4 years without any extension terms. The Group does not enter into sale and leaseback arrangements. All the leases are negotiated on an individual basis with annual inflationary uplifts in some cases.

The Group assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

Some lease contracts contain both lease and non-lease components. These non-lease components are usually associated with facilities management services at offices, and servicing and repair contracts in respect of motor vehicles, which are separated out and non-lease components expensed as incurred.

Measurement and recognition of leases as a lessee
At lease commencement date, the Group recognises a right-of-use asset and a lease liability in its consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to decommission the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease. The incremental borrowing rate is the estimated rate that the Group would have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value. This rate is adjusted should the lessee entity have a different risk profile to that of the Group.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

The lease liability is reassessed when there is a change in the lease payments. Changes in lease payments arise from a change in the lease term or a change in the assessment of an option to purchase a leased asset. The revised lease payments are discounted using the Group's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined. The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset, the exception being when the carrying amount of the right-of-use asset has been reduced to zero then any excess is recognised in profit or loss.

Payments under leases can also change when there is either a change in the amounts expected to be paid under residual value guarantees or when future payments change through an index or a rate used to determine those payments, including changes in market rental rates following a market rent review. The lease liability is remeasured only when the adjustment to lease payments takes effect and the revised contractual payments for the remainder of the lease term are discounted using an unchanged discount rate.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. These leases relate to items of office equipment such as desks, chairs and certain IT equipment. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

1.23 Accounting developments
There are no other IFRSs or IFRIC standards, amendments or interpretations that are not yet effective that would be expected to have a material impact on the Group.

2. Segmental information

The business is run as one segment although we sell our products into a number of sectors with differing needs as disclosed in the Finance review. The employees of the business work across both our geographical and market sectors, with the assets of the business being utilised across these sectors as well, and it is not possible to directly apportion these costs between these sectors.

As such, the Directors do not split the business into segments in order to internally analyse the business performance, and consequently the results of the business are only presented as continuing (and discontinued last year). Given the contingent consideration which had been received historically (sale of Digital Barriers inventory) ceased in year ended 31 March 2021 the discontinued results have now ceased. Last year the discontinued activities were not material to the business results, and the results for the comparative period are detailed out in note 25.

The Directors believe that allocating overheads by department provides a suitable level of business insight. The overhead department cost centres comprise:

- Engineering (manufacturing and R&D);
- Sales and marketing;
- Property and administration;
- Management; and
- Plc costs.

with the split of costs as shown in the Strategic report on page 7.

Whilst, as noted in the Strategic report, the Group sells into multiple sectors, there is only considered to be one operating segment in line with IFRS 8 based on the information reviewed by the Chief Operating Decision Maker. In accordance with IFRS 8, the Group has derived the information for its operating segments using the information used by the Chief Operating Decision Maker and supplemented this with additional analysis to assist readers of the Annual Report to better understand the impact of the Group's current trading performance. The Group has identified the Board of Directors as the Chief Operating Decision Maker as it is responsible for the allocation of resources to operating segments and assessing their performance.

Following its disposal on 31 October 2017, the Video Business has been reported as a discontinued operation. The profit disclosed this year within discontinued operations includes further amounts due on deferred consideration as part of the Share Purchase Agreement on the sale of the Video Business. Further details are provided on page 75 in note 25.

Analysis of revenue by customer
There have been two (2021: one) individually material customers (comprising over 10% of total revenue) in the year. These customers individually represented £3,740k and £1,059k of revenue for the year (2021: £3,094k).

Other segment information
The following tables provide disclosure of the Group's revenue analysed by geographical market based on the location of the customer.

The Group's revenue by geographical market is detailed below:

	2022 £'000	2021 £'000
UK	**2,644**	1,045
Americas	**4,445**	4,501
Asia-Pacific	**104**	140
Europe	**864**	428
Middle East and Africa	**304**	586
	8,361	6,700

The Group's Revenue by type is detailed below:

	2022 £'000	2021 £'000
Revenue recognised at point of delivery	**7,718**	5,864
Revenue recognised over time – Extended warranty and support revenue	**643**	836
	8,361	6,700

In addition to the above analysis, a table in note 16 discloses how deferred revenue balances will result as income in future financial years.

2. Segmental information continued

The Group's non-current assets by geography are detailed below:

	2022 £'000	2021 £'000
United Kingdom	**1,157**	1,001
United States of America	**97**	150
	1,254	1,151

3. Group operating loss

The Group operating loss attributable to continuing operations is stated after charging/(crediting):

	2022 £'000	2021 £'000
Research and development costs	**631**	577
Expected credit loss expense	**32**	–
Depreciation of property, plant and equipment	**546**	504
Amortisation of intangible assets	**15**	14
Exchange (gains)/losses	**(6)**	329
Non-core operating costs(i)	**91**	29

(i) One-off costs comprising professional fees incurred in the rationalisation of a number of the Group's dormant subsidiaries, as described in note 27.

Auditor's remuneration

The following table shows an analysis of all fees payable to Grant Thornton UK LLP, the Group's auditor:

	2022 £'000	2021 £'000
Audit services		
Fees payable to the Company's auditor for the audit of the financial statements	**98**	38
The audit of the Company's subsidiaries	**58**	20
	156	58
Non-audit services		
Tax advisory services	**–**	13
Other non-audit services	**10**	–
	10	13

Fees relate to all activities undertaken by Grant Thornton UK LLP (2021: Grant Thornton UK LLP) in the period.

The non-audit services provided relates to professional advice on the assessment of distributable reserves as part of an exercise undertaken to liquidate various dormant group companies.

4. Adjusted loss before tax

An adjusted loss before tax measure has been presented as the Directors believe that this is a better measure of the Group's underlying performance. Adjusted loss is not defined under IFRS and may not be comparable with similarly titled measurements reported by other companies, neither is it intended to be a substitute for, or superior to, IFRS measures of profit. The net adjustments to loss before tax from continuing operations are summarised below:

	2022 £'000	2021 £'000
Share-based payment (credit)/charge(i)	**(366)**	409
Total adjustments	**(366)**	409

(i) The performance conditions associated with certain LTIP awards are subject to a non-market based performance measure. Accordingly, should these LTIP awards fail to vest, the share-based payment charge will be added back to the income statement. To date the majority of historic LTIP awards have failed to vest. The inclusion of adjusted loss before tax provides consistency over time allowing a better understanding of the financial position of the Group.

5. Employees

The average number of employees during the year and the number at the end of the year were as follows:

	Average 2022	At 31 March 2022	Average 2021	At 31 March 2021
Directors	**4**	**4**	4	4
Business units	**34**	**37**	31	33
Corporate	**5**	**5**	5	5
	43	**46**	40	42

The employee benefit expense for the period of these employees amounted to:

	2022 £'000	2021 £'000
Salaries and short-term employee benefits	**3,443**	2,948
Social security costs	**364**	307
Pension costs	**70**	66
Share-based payment (credit)/charge (note 18)	**(366)**	409
	3,511	3,730

6. Finance income

	2022 £'000	2021 £'000
Bank interest receivable	**13**	19
Other income receivable	**4**	3
	17	22

7. Finance costs

	2022 £'000	2021 £'000
Finance costs on leases accounted for under IFRS 16	**20**	21

8. Income Tax

	2022 £'000	2021 £'000
Current tax		
R&D tax credit receivable	**210**	183
Adjustment in respect of prior year	**28**	89
Overseas tax	**(7)**	(6)
	231	266
Deferred tax	**–**	–
Total tax credit for the year	**231**	266

8. Income Tax continued

The tax credit for the year is lower than the standard rate of corporation tax in the UK applied to the loss before tax.

The differences are explained below:

	2022 £'000	2021 £'000
Loss for the year before tax	**(1,889)**	(2,754)
Tax at the UK corporation tax rate of 19% (2021: 19%)	**(359)**	(523)
Tax effects of:		
Adjustment in respect of prior year	**(28)**	(89)
Expenses not deductible for tax purposes	**169**	154
Taxation adjustments relating to share options	**(75)**	–
Unrecognised deferred tax movements on depreciation in excess of capital allowances, share-based payments and short-term timing differences	**27**	(6)
Unrecognised deferred tax on unrelieved tax losses	**245**	381
R&D tax credit receivable	**(210)**	(183)
Total tax credit for the year	**(231)**	(266)

Unrecognised deferred tax assets

	2022 £'000	2021 £'000
Fixed assets	**47**	6
Temporary differences	**650**	389
Tax losses	**3,558**	2,250
	4,255	2,915

Unrelieved tax losses in the UK amount to approximately £14.0 million (2021: £13.0 million), of which £7.2 million (2021: £6.7 million) relate to trading losses which are available indefinitely for offset against future taxable trading profits.

The remaining losses are attributable to Thruvision Group plc and, because the Company does not carry out a trade, these losses are only available to offset against future taxable trading profits of the Company.

The final losses as at 31 March 2022, will be determined after the Group Companies have filed the relevant tax returns. A deferred tax asset has not been recognised on these tax losses on the basis that there is insufficient evidence that this asset will be recoverable within the foreseeable future.

An asset will only be recognised with improved certainty and quantification of taxable profits.

9. Loss per share

Unadjusted loss per share

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Loss from continuing operations attributable to Ordinary Shareholders	**(1,658)**	(2,490)
Loss from continuing and discontinued operations attributable to Ordinary Shareholders	**(1,658)**	(2,488)
Weighted average number of shares	**145,853,091**	145,515,022
Basic and diluted loss per share – continuing operations	**(1.14p)**	(1.71p)
Basic and diluted loss per share – continuing and discontinued operations	**(1.14p)**	(1.71p)

9. Loss per share continued

Adjusted loss per share

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Loss attributable to Ordinary Shareholders	**(1,658)**	(2,490)
Share-based payment (credit)/charge	**(366)**	409
Adjusted loss after tax	**(2,024)**	(2,081)
Weighted average number of shares	**145,853,091**	145,515,022
Basic and diluted loss per share	**(1.14p)**	(1.71p)
Basic and diluted adjusted loss per share	**(1.39p)**	(1.43p)

The inclusion of potential Ordinary Shares arising from LTIPs and EMI Options would be anti-dilutive. Basic and diluted loss per share has therefore been calculated using the same weighted number of shares.

10. Property, plant and equipment

	Leasehold improvements £'000	Right-of-use (see note 20) £'000	Office furniture and equipment £'000	Computers, ancillary equipment and electronic test equipment £'000	Motor vehicles £'000	Demonstration stock £'000	Plant & equipment £'000	Total £'000
Cost								
At 31 March 2020	668	612	63	134	28	784	179	2,468
Additions	6	84	4	16	–	358	23	491
Disposals	(94)	(83)	–	–	(27)	(394)	(17)	(615)
Exchange movements	–	–	–	–	(1)	–	–	(1)
At 31 March 2021	580	613	67	150	–	748	185	2,343
Additions	9	502	3	20	–	152	3	689
Disposals	–	–	–	(1)	–	(117)	–	(118)
Exchange movements	–	–	–	–	–	–	–	–
At 31 March 2022	**589**	**1,115**	**70**	**169**	**–**	**783**	**188**	**2,914**
Accumulated depreciation								
At 31 March 2020	457	151	45	53	21	423	80	1,230
Charge for the year	94	167	6	39	4	167	27	504
Disposals	(94)	(36)	–	–	(26)	(336)	–	(492)
Exchange movements	–	(2)	–	–	1	–	(1)	(2)
At 31 March 2021	457	280	51	92	–	254	106	1,240
Charge for the year	77	169	6	36	–	230	28	546
Disposals	–	–	–	(1)	–	(47)	–	(48)
Exchange movements	–	1	–	–	–	–	–	1
At 31 March 2022	**534**	**450**	**57**	**127**	**–**	**437**	**134**	**1,739**
Net book value								
At 31 March 2022	**55**	**665**	**13**	**42**	**–**	**346**	**54**	**1,175**
At 31 March 2021	123	333	16	58	–	494	79	1,103
At 31 March 2020	211	461	18	81	7	361	99	1,238

Depreciation is charged to the Income statement within administration costs.

11. Intangible assets

	Patents and trademarks £'000	Software £'000	Software – Assets under construction £'000	Total £'000
Cost				
At 1 April 2020	7	104	–	111
Additions	–	–	–	–
Disposals	–	–	–	–
At 31 March 2021	7	104	–	111
Additions	–	10	36	46
Disposals	–	–	–	–
At 31 March 2022	**7**	**114**	**36**	**157**
Accumulated amortisation				
At 1 April 2020	2	47	–	49
Charge for the year	1	13	–	14
Disposals	–	–	–	–
At 31 March 2021	3	60	–	63
Charge for the year	1	14	–	15
Disposals	–	–	–	–
At 31 March 2022	**4**	**74**	**–**	**78**
Net book value				
At 31 March 2022	**3**	**40**	**36**	**79**
At 31 March 2021	4	44	–	48
At 31 March 2020	5	57	–	62

Amortisation is charged to the Income statement within administration costs.

12. Inventories

Net book value (including inventory provision)	2022 £'000	2021 £'000
Raw materials	**1,472**	1,421
Work in progress	**1,007**	859
Finished goods and goods for resale	**1,389**	2,139
	3,868	4,419

The movement on the inventory provision during the year is set out below:

	2022 £'000	2021 £'000
Opening provision	**470**	208
Released	**(5)**	(39)
Increase to provision from continuing operations	**57**	301
Closing provision	**522**	470

The following amounts of inventory were included in cost of sales as an expense:

	2022 £'000	2021 £'000
Inventories booked to cost of sales	**4,030**	2,507
Increase to inventory provision	**57**	301
Inventory provision released	**(5)**	(39)
	4,082	2,769

13. Trade and other receivables

	Gross carrying amounts 2022 £'000	Provision for impairment 2022 £'000	Net carrying amounts 2022 £'000	Gross carrying amounts 2021 £'000	Provision for impairment 2021 £'000	Net carrying amounts 2021 £'000
Trade receivables	**1,786**	**(57)**	**1,729**	962	–	962
Prepayments	**128**	**–**	**128**	140	–	140
Contract assets	**84**	**–**	**84**	135	–	135
VAT recoverable	**–**	**–**	**–**	194	–	194
Other receivables	**41**	**–**	**41**	11	–	11
	2,039	**(57)**	**1,982**	1,442	–	1,442

Trade receivables

One customer this year represented a significant concentration of credit risk with £964k owed by this customer at the year end. There were no customers who individually represented a significant concentration of credit risk of the Group's trade receivables at 31 March 2021.

The Group believes that the carrying amounts of the Group's trade receivables by the type of customer gives a fair presentation of the credit quality of the assets:

	2022 £'000	2021 £'000
Government customers	**989**	24
Commercial customers	**740**	938
	1,729	962

The movement in the expected credit loss provision is as follows:

	2022 £'000	2021 £'000
Brought forward opening provision	**–**	–
Provided for	**(57)**	–
Carried forward closing provision	**(57)**	–

14. Cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank and in hand		
GBP short-term deposits	**2,494**	5,904
USD short-term deposits	**2,405**	1,210
EUR short-term deposits	**542**	154
	5,441	7,268

All of the Group's deposits were either available immediately for use or were held on a 32-day notice period.

15. Trade and other payables – current

	2022 £'000	2021 £'000
Current		
Trade payables	**866**	734
Accruals	**809**	629
Deferred revenue	**558**	842
Social security and other taxes	**85**	83
VAT payable	**12**	–
Right-of-use lease liabilities	**150**	178
Other payables	**14**	23
	2,494	2,489

16. Other payables – Non-current

	2022 £'000	2021 £'000
Non-current		
Deferred revenue(1)	**97**	496
Right-of-use lease liabilities(2)	**503**	147
	600	643

(1) Deferred revenue at 31 March 2022 for extended warranty and enhanced support contracts will be recognised to revenue as follows:

	Revenue recognition profile on deferred revenue					
	Within one year £'000	One to two years £'000	Two to three years £'000	Three to four years £'000	After four years £'000	Total £'000
Deferred revenue as at 31 March 2022	**(558)**	**(54)**	**(33)**	**(9)**	**(1)**	**(655)**
Deferred revenue as at 31 March 2021	(842)	(456)	(23)	(10)	(7)	(1,338)

The movement on the total deferred revenue balance during the year is set out below.

	2022 £'000	2021 £'000
Opening balance	**1,338**	447
Additions	**370**	1,811
Released	**(1,078)**	(836)
FX revaluations	**25**	(84)
Closing balance	**655**	1,338

(2) Note 20 shows the split between years as to when the Right-of-use liabilities due in after one year will unwind.

17. Share capital

	Number	£'000
Authorised, allotted, called-up and fully paid		
Ordinary Shares of 1 pence each		
At 31 March 2020	145,454,118	1,455
Shares issued(1)	325,000	3
At 31 March 2021	145,779,118	1,458
Shares issued(2)	810,000	8
At 31 March 2022	**146,589,118**	**1,466**

	£'000
Total share capital	
At 31 March 2021	1,458
At 31 March 2022	**1,466**

(1) In 2021, 325,000 Ordinary Shares were issued under the EMI scheme to staff at 15.38p per share. As a result, the share premium account increased by £47,000.

(2) Between January and March 2022, 810,000 shares were issued in the year to certain employees as exercised 2018 SAYE share options. The shares had an option price of 20p. As a result, the share premium account increased by £154,000.

18. Employee share schemes

Enterprise Management Incentive Scheme
Certain employees of the Group receive remuneration in the form of share options under an Enterprise Management Incentive Scheme ('EMI', 'Scheme'). The first option awards under the scheme were made in the year ended 31 March 2018 with further awards being made each financial year.

All awards made after 1 January 2019 under the EMI Scheme are subject to service conditions and performance conditions that relate to revenue and profit. These performance conditions are explained in more detail in the Remuneration report on pages 30 and 31.

Sharesave Scheme
The Group has established the Thruvision Group Sharesave Scheme, which allows eligible employees to use regular savings to purchase shares. Options are granted at a discount of 20% of the market value of the shares. No financial performance criteria are attached to these options, and they vest three years from the date of grant with an exercise period of six months. There are no cash settlement alternatives. The fair value is determined using the Black-Scholes model.

Unapproved Share Option Scheme
Certain employees of the Group receive remuneration in the form of share options under an Unapproved Share Option Scheme including awards to overseas employees. The first option awards under the scheme were made in the year ended 31 March 2018 with further awards being made each financial year.

All awards made after 1 January 2019 under the Unapproved Share Option Scheme are subject to service conditions and performance conditions that relate to revenue and profit. These performance conditions are explained in more detail in the Remuneration report on pages 30 and 31.

Basis of valuation
The basis of valuation of the equity awards for all of the above four Share Option Schemes, to arrive at the share-based payment charge or credit, is given in note 1.5.3: Accounting policies on page 49.

It is the intention of the Group that shares needed to satisfy awards will be purchased in the market to the extent that they are not already held by the Group's employee share trust, unless it is in the interests of the Group to issue new shares.

	Sharesave Scheme	
	Number of options	Weighted average exercise price £
Outstanding at 31 March 2020	1,668,855	0.205
Granted	173,072	0.221
Forfeited	(132,785)	0.217
Outstanding at 31 March 2021	1,709,142	0.204
Granted	996,417	0.224
Exercised	(810,000)	0.200
Forfeited	(89,798)	0.215
Outstanding at 31 March 2022	**1,805,761**	**0.217**
Exercisable at 31 March 2021	nil	nil
Exercisable at 31 March 2022	**471,600**	**nil**

For the year ended 31 March 2022:	
Range of exercise prices	£0.200 to £0.221
Weighted average remaining contractual life	2.450 years
For the year ended 31 March 2021:	
Range of exercise prices	£0.200 to £0.221
Weighted average remaining contractual life	2.310 years

18. Employee share schemes continued

	EMI Options		Unapproved Options	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price £
Outstanding at 31 March 2020	6,364,365	0.191	3,447,629	0.234
Granted	735,000	0.200	1,725,000	0.206
Exercised	(325,000)	0.154	–	–
Forfeited	(30,000)	0.250	–	–
Outstanding at 31 March 2021	6,744,365	0.197	5,172,629	0.225
Granted	1,095,000	0.198	1,475,000	0.188
Forfeited	(50,000)	0.231	(75,000)	0.264
Outstanding at 31 March 2022	**7,789,365**	**0.190**	**6,572,629**	**0.2160**
Exercisable at 31 March 2021	3,970,662	0.154	1,124,513	nil
Exercisable at 31 March 2022	**4,270,662**	**0.161**	**1,124,513**	**nil**

For the year ended 31 March 2022:		
Range of exercise prices	£0.128 to £0.276	£0.154 to £0.282
Weighted average remaining contractual life	6.391 years	7.760 years
For the year ended 31 March 2021:		
Range of exercise prices	£0.128 to £0.276	£0.154 to £0.270
Weighted average remaining contractual life	7.742 years	7.060 years

At each year end the Remuneration Committee of the Group considers outstanding awards under the Long Term Incentive Plan that have yet to vest and are subject to a performance condition. The Remuneration Committee will, where relevant, consider revenue and profit reported to date, the most recent financial forecast in respect of the performance period and other potential opportunities not included in the most recent forecast but which could be secured in the performance period. The Remuneration Committee will then consider the likelihood of achieving the financial metrics in the performance condition to ascertain the likelihood of the performance condition being achieved. If the Remuneration Committee considers that the awards are unlikely to vest, or are not capable of vesting, an adjustment will be made to the cumulative charge based on the number of options expected to vest at each reporting date. If the Remuneration Committee considers that the awards are capable of vesting at the end of the performance period, no adjustment is made to the associated Income statement charge in respect of these awards.

During the year a charge of £41,000 (2021: charge of £409,000) was made to the income statement in respect of awards that the Remuneration Committee considers likely to vest, and a credit of £407,000 (2021: credit of £nil) was made to the Income statement in respect of awards that have either failed to vest or the Remuneration Committee considers unlikely to vest.

Details of the awards that have failed to vest can be found in the Remuneration report on pages 30 and 31.

For all historic share option awards and for new share options granted in the year, the fair value of the awards are spread over the three-year period up to the vesting date.

Assumptions used in the valuation of share-based payment charge/(credit)
Historic tranches of share awards granted are disclosed below. The fair value of share awards granted in the period and the assumptions used in the calculation of their fair value on the date of grant are also disclosed below:

	EMI Options 17 January 2018	Unapproved Options 17 January 2018	EMI Options 28 August 2018	SAYE Options 21 September 2018	EMI Options 18 January 2019
Number granted	5,475,662	374,513	360,000	1,443,600	938,703
Fair value per option/award	£0.069	£0.069	£0.135	£0.095	£0.14
Share price on date of grant	£0.154	£0.154	£0.268	£0.223	£0.270
Exercise price	£0.154	£0.154	£0.250	£0.200	£0.270
Vesting period (years)	3	3	3	3	3
Volatility	44.65%	44.65%	48.75%	54.49%	51.36%
Risk-free rate of return	0.99%	0.99%	1.14%	0.89%	1.04%
Expected life (years)	6.5	6.5	6.5	3.36	6.5
Expected dividend yield	nil	nil	nil	nil	nil

18. Employee share schemes continued

	Unapproved Options 18 January 2019	Unapproved Options 18 January 2019	EMI Options 8 October 2019	Unapproved Options 8 October 2019	SAYE Options 30 October 2019
Number granted	890,185	375,000	950,000	1,432,931	410,863
Fair value per option/award	£0.140	£0.140	£0.130	£0.130	£0.112
Share price on date of grant	£0.270	£0.270	£0.276	£0.276	£0.258
Exercise price	£0.270	£0.270	£0.276	£0.276	£0.221
Vesting period (years)	3	3	3	3	3
Volatility	51.36%	51.36%	50.81%	50.81%	54.81%
Risk-free rate of return	1.04%	1.04%	0.20%	0.20%	0.46%
Expected life (years)	6.5	6.5	6.5	6.5	3.25
Expected dividend yield	nil	nil	nil	nil	nil

	EMI Options 15 June 2020	Unapproved Options 15 June 2020	Unapproved Options 9 October 2020	Unapproved Options 11 December 2020	SAYE Options 23 July 2020
Number granted	735,000	1,575,000	75,000	75,000	173,072
Fair value per option/award	£0.107	£0.107	£0.141	£0.131	£0.139
Share price on date of grant	£0.210	£0.210	£0.282	£0.264	£0.285
Exercise price	£0.200	£0.200	£0.282	£0.264	£0.208
Vesting period (years)	3	3	3	3	3
Volatility	52.72%	52.72%	52.80%	52.36%	55.69%
Risk-free rate of return	0.01%	0.01%	0.00%	0.00%	0.00%
Expected life (years)	6.5	6.5	6.5	6.5	3.35
Expected dividend yield	nil	nil	nil	nil	nil

	EMI Options 4 August 2021	Unapproved Options 30 November 2021	EMI Options 30 November 2021	SAYE Options 25 January 2022
Number granted	200,000	1,475,000	895,000	996,417
Fair value per option/award	£0.114	£0.092	£0.092	£0.089
Share price on date of grant	£0.244	£0.195	£0.195	£0.258
Exercise price	£0.244	£0.188	£0.188	£0.224
Vesting period (years)	3	3	3	3
Volatility	48.32%	47.08%	47.08%	39.43%
Risk-free rate of return	0.34%	0.57%	0.57%	0.94%
Expected life (years)	6.5	6.5	6.5	3.34
Expected dividend yield	nil	nil	nil	nil

Assumptions used with regards to Share Options

- Expected volatility

Expected volatility is a measure of an amount by which a share price is expected to fluctuate during a period.

Volatility is an important factor in the core valuation of a share option because the more volatile a share price, the greater the potential gain to the participant at the end of the period.

Volatility is not relevant to the core valuation of an award of free shares because there is no element of chance involved in determining the level of gain: as there is no consideration payable by the employee, there is always a gain. However, the volatility is important in calculating the discount for a market condition, such as TSR or share price growth. The more volatile the share price, the greater the chance of meeting a market-based target in full, and therefore the greater the fair value.

The default volatility formula calculates the ratio of each week's return index to the preceding week's value, using the daily average to remove any bias from selecting a specific day of the week. The formula then calculates the standard deviation of the logs of these ratios and annualises this figure. In calculating volatility, the movement in the share price is reviewed over a certain period prior to the grant date (whilst past behaviour is not always a good indicator of movements in the future, it is difficult to determine a more accurate method).

The subjective element is assessing the period over which volatility should be measured.

Volatility has been calculated over the period of time commensurate with the expected award term immediately prior to the date of grant.

18. Employee share schemes continued

- Early exercise of awards

It has been assumed that there will not be any early exercise of awards.

Employee Benefit Trust
The Thruvision Group Plc Employee Benefit Trust's (the 'Trust') objective is to hold shares in Thruvision Group Plc to satisfy awards under the Long-Term Incentive Plan. Costs of running the Trust are charged to the Consolidated Income statement. Shares held by the Trust are deducted from the profit and loss reserve and held at cost to the Trust. At 31 March 2022 the Trust did not hold any shares in the Company (2021: nil).

19. Financial instruments

Categories of financial assets and liabilities
The Group had the following financial assets and liabilities:

The amounts below are contractual undiscounted cash flows and include both interest and principal amounts. All assets and liabilities are valued at amortised cost.

	Note	**2022 £'000**	2021 £'000
Assets as per statement of financial position			
Trade receivables	13	**1,729**	962
Contract assets	13	**84**	135
Other receivables	13	**41**	11
Cash and cash equivalents	14	**5,441**	7,268
		7,295	8,376

	Note	**On demand or less than one year 2022 £'000**	**Due after one year 2022 £'00**	**Total 2022 £'000**	On demand or less than one year 2021 £'000	Due after one year 2021 £'000	Total 2021 £'000
Liabilities as per statement of financial position							
Trade payables	15	**866**	**–**	**866**	734	–	734
Accruals	15	**809**	**–**	**809**	629	–	629
Other payables	15	**14**	**–**	**14**	23	–	23
Lease liabilities	20	**150**	**503**	**653**	178	147	325
Provisions	21	**178**	**–**	**178**	175	–	175
		2,017	**503**	**2,520**	1,739	147	1,886

The profile for lease liabilities due after one year unwinding by financial years is shown in note 20.

The Group had no expected credit losses arising from financial instruments as at 31 March 2022 other than those disclosed in note 13.

Fair value hierarchy
The Group's hierarchy for determining and disclosing the fair values of financial instruments by valuation techniques is shown within the Accounting policies section in note 1.18: Financial Instruments on pages 54 to 55:

The Group has no level 2 or level 3 financial liabilities. The fair values of other financial assets and liabilities, which are short term, are not disclosed as the Directors estimate that the carrying amount of the financial assets and liabilities are not significantly different to their fair value. These financial assets and liabilities are carried at amortised cost.

Financial risk management
The Group has a centralised treasury function, providing a service to the Group for funding and foreign exchange management. Treasury activities are managed under policies and procedures approved and monitored by the Board. These are designed to reduce the financial risks faced by the Group, which primarily relate to credit risk, foreign currency risk, interest rate risk and liquidity risk. The Group undertook no trades in financial instruments during the year (2021: none).

19. Financial instruments continued

Credit risk
Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to credit risk from financial assets including cash and cash equivalents held at banks, trade and other receivables.

The Board monitors the Group's exposure to credit risk on an on-going basis. Cash investments are only allowed in liquid securities with major financial institutions that satisfy specific criteria. The maximum credit risk exposure at the statement of financial position's date is represented by the carrying value of financial assets. Cash investments have been held with two (2021: two) major financial institutions in the year.

The Board carries out a formal review of its banking arrangements on a six-monthly basis. Details of the Group's credit risk on trade and other receivables can be found in note 13.

Customer concentration risk
The Group monitors its exposure to customer concentration risk on an on-going basis. The amount of the risk exposure is shown in note 13. The Group's policy is to only extend credit to creditworthy counterparties.

Security
Trade receivables consist of a large number of customers in various industries and geographical areas. The Group does not hold any security on the trade receivables balance. In addition, the Group does not hold collateral relating to other financial assets (e.g. derivative assets, cash and cash equivalents held with banks).

Market risk analysis
The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk); credit risk; and liquidity risk and certain other price risks. The main risks faced by the Group relate to the availability of funds to meet business needs and the risk of credit default by customers. The Group's overall risk management programme focuses on the unpredictability of the currency markets, and its on-going operating activities, seeking to minimise potential adverse effects on the Group's financial performance.

Foreign currency risk
Operations are subject to foreign exchange risk from committed transactions denominated in currencies other than their functional currency and, once recognised, the revaluation of foreign currency denominated assets and liabilities.

Approximately 71% (2021: 72%) of Group revenue was invoiced in currencies other than Sterling, predominantly US Dollars. To mitigate foreign exchange risk arising from transactions denominated in other currencies, forecast revenues and costs are regularly reviewed to assess any potential currency exposures and whether forward currency contracts should be put in place.

No forward currency contracts or hedges were entered into during the year, because the anticipated financial risk arising from foreign currency transactions was not deemed sufficient to warrant a purchase of these instruments. As a result, there was no profit or loss from forward currency contracts or hedges for the year ended 31 March 2022 (2021: £nil).

The Group is also exposed to movements in foreign currency exchange rates in respect of the translation of net assets and income statements of foreign subsidiaries. However, this translation risk is not hedged as it is immaterial to the Group.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated into GBP at the closing rate:

	Short term exposure				
31 March 2022	**GBP £'000**	**USD £'000**	**EUR £'000**	**Other £'000**	**Total £'000**
Financial assets	3,188	3,565	542	–	7,295
Financial liabilities	(2,282)	(227)	–	(11)	(2,520)
Total exposure	**906**	**3,338**	**542**	**(11)**	**4,775**
31 March 2021	**GBP £'000**	**USD £'000**	**EUR £'000**	**Other £'000**	**Total £'000**
Financial assets	6,490	1,633	253	–	8,376
Financial liabilities	(1,613)	(257)	(5)	(11)	(1,886)
Total exposure	4,877	1,376	248	(11)	6,490

Derivative financial instruments
There were no open forward currency contracts as at 31 March 2022 (31 March 2021: none).

19. Financial instruments continued

Interest rate risk
The Group has £nil financial assets on fixed rate deposits (2021: £nil), and £1,464,000 (2021: £5,206,000) on floating rate deposits.

A reasonably possible change in interest rates is 25 basis points. An increase of 25 basis points would give rise to an additional £5,000 (2021: £13,000) of finance income. A decrease of 25 basis points would give rise to a reduction in finance income of £5,000 (2021: £13,000). The Group is not exposed to interest rate risks on other assets and liabilities, which are transacted on normal commercial terms.

Liquidity risk
The Group's policy is to maintain sufficient headroom to meet its foreseeable financing requirements. Substantial financial assets are held by the Group to meet its planned requirements. The Group's objective is to maintain sufficient levels of immediately available cash to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting period.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables significantly exceed the current cash outflow requirements.

Further information on the Group's cash position can be found in the Financial review on pages 6 and 7 and in note 14 on page 64.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows in the long and short term.

Capital risk management
The Group defines its capital as its total equity. At this stage of the Group's development, its policy is to have available the necessary financial resources to allow the Group to invest in areas that may deliver future benefit to investors and to fund its existing operations. The Group reviews the capital structure on a regular basis and considers the cost of capital and the risks and benefits associated with different forms of capital available to the Group. At 31 March 2022, total equity amounted to £9,445,000 (2021: £11,313,000).

The declaration and payment by the Group of any future dividends on the Ordinary Shares and the amount will depend on the results of the Group's operations, its financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed to be relevant at the time. However, given the Group's early stage of development, the Directors do not envisage that the Group will pay dividends in the foreseeable future and intend to reinvest surplus funds in the development of the Group's business. The Board will regularly review the appropriateness of its dividend policy.

20. Leases

IFRS 16 requires the Group, with the exception of short-term and low value leases, to value all leasing obligations disclosing right-of-use assets and corresponding lease liabilities. As detailed below, all leases of the Group have been considered to have balance sheet leasing obligations.

Additions to the right-of-use asset category reflect the recognition of the Group's leasing obligations under IFRS 16, and are included within the Property, plant and equipment balance on the Statement of financial position. These balances are shown in note 10 and below in more detail.

In the Statement of financial position lease liabilities at 31 March 2022 of £653,000 (2021: £325,000) are offsetting right-of-use assets of £665,000 (2021: £333,000), giving a net asset position of £12,000 (2021: £8,000).

20. Leases continued

Right-of-use assets

	Property £'000	Motor vehicles £'000	Total £'000
Cost			
At 31 March 2020	565	47	612
Additions	–	84	84
Disposals	(83)	–	(83)
Exchange movements	–	–	–
At 31 March 2021	482	131	613
Additions	498	4	502
Disposals	–	–	–
Exchange movements	–	–	–
At 31 March 2022	**980**	**135**	**1,115**
Accumulated depreciation			
At 31 March 2020	143	8	151
Charge for the year	138	29	167
Disposals	(36)	–	(36)
Exchange movements	(2)	–	(2)
At 31 March 2021	243	37	280
Charge for the year	121	48	169
Disposals	–	–	–
Exchange movements	1	–	1
At 31 March 2022	**365**	**85**	**450**
Net book value			
At 31 March 2022	**615**	**50**	**665**
At 31 March 2021	239	94	333
At 31 March 2020	422	39	461

Lease liabilities

	Property £'000	Motor vehicles £'000	Total £'000
Lease liabilities as at 31 March 2020	421	36	457
New leases taken up in the year	–	84	84
Lease disposals	(51)	–	(51)
Interest charge	18	3	21
Cash outflows	(151)	(35)	(186)
Lease liabilities as at 31 March 2021	237	88	325
New leases taken up in the year	505	4	509
Interest charge	9	3	12
Cash outflows	(130)	(50)	(180)
Foreign exchange revaluations	(12)	(1)	(13)
Lease liabilities as at 31 March 2022	**609**	**44**	**653**

20. Leases continued

Future minimum lease payments at 31 March 2022 were as follows:

	Minimum lease payments due						
	Within one year £'000	One to two years £'000	Two to three years £'000	Three to four years £'000	Four to five years £'000	More than five years £'000	Total £'000
Lease payments	180	119	113	126	138	72	748
Finance charges	(30)	(23)	(19)	(14)	(8)	(1)	(95)
Net present value	**150**	**96**	**94**	**112**	**130**	**71**	**653**

Lease liabilities are presented in the statement of financial position as follows:

	2022 £'000	2021 £'000
Current	**150**	178
Non-current	**503**	147
	653	325

Lease liabilities are calculated as the present value of the future lease obligations of the Group.

The future lease obligations were discounted using relevant UK and US local borrowing rates of 5% respectively.

Lease payments not recognised as a liability
The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

There was one low value lease expensed in the year on a straight-line basis. The value of these equipment leases amounted to £3,000 in the year ended 31 March 2022 (2021: £3,000).

21. Provisions

Current	**2022 £'000**	2021 £'000
Warranty provisions	**178**	175
	178	175

Warranty provisions
This provision is to cover costs incurred for the repair of items under warranty, including the provision of hot swap units and shipping costs incurred. It is expected that a proportion of the carried forward provision will be utilised in the next financial year in meeting warranty claims from customers, although given the nature of the provision the amount and timing of these outflows is not known, and hence the entire balance is considered to be current. The carried forward provision has been assessed at the year end and no change to the carried forward balance was considered necessary.

Provisions are released for individual units when the warranty period for that unit comes to an end.

Warranty costs include the cost of stock and shipping costs incurred by the Group under the terms of the warranty, in order to repair items. The analysis below explains the movement in the provision relating to expected warranty costs.

Current	**2022 £'000**	2021 £'000
Brought forward provision	**175**	–
Provided for	**121**	218
Provisions released	**(101)**	(33)
Warranty costs incurred	**(17)**	(10)
Carried forward provision	**178**	175

21. Provisions continued

Non-current	2022 £'000	2021 £'000
Dilapidations	**38**	38
	38	38

The above provision relates to dilapidation provisions considered to be due in after one year. It is expected that these amounts could only become payable should we decide to hand properties back to our landlords.

Non-current	2022 £'000	2021 £'000
Brought forward	**38**	38
Utilisation	**–**	–
Carried forward	**38**	38

Contingent liability
The Group has become aware of a legal issue which may or may not result in an agreed settlement for which the Group may be liable. Should the Group be required to make a payment in this regard it is not expected to exceed £60,000.

22. Commitments

There are no capital commitments at 31 March 2022 (2021: nil).

The Group has provided no guarantees to third-party customers (2021: none) in relation to the performance and delivery of contracts. No liability is expected to arise.

23. Related party transactions

Remuneration
The remuneration of Directors and other members of key management, recognised in the income statement, is set out below in aggregate. This information is also disclosed on page 28 within the Remuneration report. Key management are defined as the Board of Thruvision Group Plc and other persons classified as 'persons discharging managerial responsibility' under the rules of the Financial Conduct Authority. Currently no employees outside of the Directors are classified as 'persons discharging managerial responsibility'.

	2022 £'000	2021 £'000
Directors' remuneration	**527**	481
Pension contributions	**5**	5
	532	486

The highest paid Director received £269,000 (2021: £242,000) in total including benefits in kind in the year, with £nil in pensions contributions (2021: £nil). This consists of £235,000 base salary (2021: £235,000), £20,000 bonus (2021: £nil), £7,000 for payments in lieu of employer pension contributions from 1 October 2020 (2021: £4,000), and £6,000 in benefits in kind (2021: £3,000). All figures above are presented to the nearest £'000.

During the year, retirement benefits were accruing to one Director (2021: one Director) in respect of defined contribution pension schemes.

In February 2022, Tom Black and Colin Evans exercised their 2018 SAYE options and they each purchased 90,000 Ordinary Shares in the Company at a price of 20p per share.

23. Related party transactions continued

The table below shows the interests in the Ordinary Shares of the Company for all Directors on the Board at 31 March 2022 as well as the comparative period (based on the year end share price of £0.260 per share (2021: £0.235 per share)):

	2022 No. of shares	2021 No. of shares	**2022 £'000**	2021 £'000
Tom Black	**13,272,540**	11,349,444	**3,451**	2,667
Colin Evans	**2,513,900**	2,423,900	**654**	570
Adrian Crockett	**6,320**	–	**2**	–
Richard Amos	**450,000**	–	**117**	

Other interest in shares

Other interests in shares of the Directors are included in the Remuneration report on page 31.

24. Post-balance sheet events

The Group has no post-balance sheet events.

25. Profit from discontinued operations

Video Business

On 7 October 2017, the Board signed an agreement for the disposal of the Video Business segment to Volpi Capital LLP for a maximum consideration payable of £27.5 million in cash, of which £25.5 million was payable on completion (on a cash free/ debt free basis) and the remaining £2.0 million payable subject to the Video Business securing a specific trading contract within 12 months following completion. The sale completed on 31 October 2017.

Further amounts were also payable up to the years ending 31 March 2021, as a result of sales of a specific category of inventory. No further deferred consideration is expected.

Income and costs incurred from discontinued operations are as follows:

Discontinued Operations – Income statement

	2022 £'000	2021 £'000
Contingent consideration received (sale of inventory)	–	63
Discontinued costs	–	(28)
Profit before tax attributable to Digital Barriers discontinued operation	–	35
Income tax	–	–
Profit after tax attributable to Digital Barriers discontinued operation	–	35
Closure of Australasia Office	–	3
Dilapidation and closure costs on discontinued operations	–	(36)
Profit after tax attributable to discontinued operations	–	2

No tax impacts on disposal income or expenditure.

Profit per share – discontinued operations

	Profit attributable to discontinued operations 2022 £'000	**Weighted average number of shares 2022 No.**	**Discontinued profit per share 2022 Pence**	Profit attributable to discontinued operations 2021 £'000	Weighted average number of shares 2021 No.	Discontinued profit per share 2021 Pence
Basic and diluted profit per share	**–**	**145,853,091**	**0.00**	2	145,515,022	0.00

The inclusion of potential Ordinary Shares arising from LTIPs and Incentive Shares would be anti-dilutive. Basic and diluted profit per share has therefore been calculated using the same weighted number of shares.

25. Profit from discontinued operations continued

Cash flows

Cash flows attributable to the disposal group include:

	2022 £'000	2021 £'000
Contingent consideration received (sale of inventory)	–	63
Discontinued costs	–	(28)
Profit before tax attributable to Digital Barriers discontinued operation	–	35
Income tax	–	–

26. Reconciliation of liabilities arising from financing activities

The Group has had no debt in the current or previous financial years, and as such lease liabilities is the only financing activity. The movement in financing activity with regards to lease liabilities is disclosed in the table titled Lease Liabilities in note 20 above. The table details the movement between opening and closing balances on lease liabilities.

27. Subsidiaries

Details of the Company's subsidiary undertakings as at 31 March 2022, are as follows:

Company name	Principal activity	Registered offices	Group interest in allocated capital	Principally operates in	Country of incorporation
Thruvision Limited	People-screening technology	121 Olympic Avenue, Milton Park, Abingdon, Oxon, OX14 4SA	100%	UK	England & Wales
Thruvision Inc.	People-screening technology	21140, Ashburn Crossing Drive, Suite 140, Ashburn, VA 20147, USA	100%	USA	USA
Thruvis Limited*	Dormant	121 Olympic Avenue, Milton Park, Abingdon, Oxon, OX14 4SA	100%	UK	England & Wales

* Dormant subsidiaries exempt from audit under s479A of the Companies Act 2006.

No UK subsidiary companies above were exempt from preparing or filing individual accounts with the registrar under s394A and s448A of the Companies Act 2006.

Special resolutions to wind up the subsidiary companies detailed below by way of voluntary liquidation were made on 15 December 2021, shortly followed by the appointment of a liquidator on 29 December 2021:

- COE Group Limited;
- COE Limited;
- Essential Viewing Systems Limited;
- Timeload Local Limited;
- Timeload Holdings Limited; and
- Timeload (UK) Limited.

Total one-off costs incurred on this activity in the year amounted to £91,000 (2021: £29,000).

Codestuff Limited was struck off from the public register on 20 April 2021.

All of the above subsidiary companies have coterminous reporting periods with the Company.

Statement of Directors' responsibilities – Company financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 101 'Reduced Disclosure Framework'). 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 and profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records which 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 confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Company balance sheet
at 31 March 2022

	Note	**31 March 2022 £'000**	31 March 2021 Restated £'000
Non-current assets			
Investments	4	**13,650**	13,841
Current assets			
Trade and other receivables	5	**1,088**	108
Cash and cash equivalents		**3,954**	5,546
		5,042	5,654
Total assets		**18,692**	19,495
Equity and liabilities			
Equity share capital	6	**1,466**	1,458
Share premium		**201**	47
Capital redemption reserve		**163**	163
Other reserves		**350**	541
Retained earnings		**16,160**	16,993
Total equity		**18,340**	19,202
Current liabilities			
Trade and other payables	7	**352**	293
Total liabilities		**352**	293
Total equity and liabilities		**18,692**	19,495

The Directors have taken advantage of the exemption available under Section 408 of the Companies Act and have not presented a statement of comprehensive income for the Company. The loss for the year dealt with in the accounts of the Company was £658,000 (2021: Restated profit after dividend £7,780,000).

The financial statements on pages 78 and 79 (along with notes on pages 47 to 76 of Thruvision Group plc (registered company number: 07149547)) were approved by the Board of Directors on 29 September 2022 and were signed on its behalf by:

Tom Black
Chairman

Colin Evans
Chief Executive Officer

Company statement of changes in equity
for the year ended 31 March 2022

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 31 March 2020	1,455	–	163	297	9,040	10,955
Shares issued	3	47	–	–	–	50
Share-based payment charge	–	–	–	244	173	417
Transactions with Shareholders	3	47	–	244	173	467
Profit for the year (restated) (note 9)	–	–	–	–	7,780	7,780
At 31 March 2021 (restated)	**1,458**	**47**	**163**	**541**	**16,993**	**19,202**
Shares issued	8	154	–	–	–	162
Share-based payment credit	–	–	–	(191)	(175)	(366)
Transactions with Shareholders	8	154	–	(191)	(175)	(204)
Loss for the year	–	–	–	–	(658)	(658)
At 31 March 2022	**1,466**	**201**	**163**	**350**	**16,160**	**18,340**

Other reserves represent share awards granted to subsidiary employees where no repayment has been sought. These amounts are non-distributable.

For a description of other reserves see note 1.12 for the Group accounting policies on page 52.

Notes to the Company balance sheet
at 31 March 2022

1. Authorisation of financial statements and statement of compliance with FRS 101

The Company financial statements for the year ended 31 March 2022 were authorised for issue by the Board of Directors on 29 September 2022 and the balance sheet was signed on the Board's behalf by Tom Black and Colin Evans. Thruvision Group plc is incorporated and domiciled in England.

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ('FRS 101'). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

Basis of preparation
The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2022.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

a) the requirements of IFRS 7 Financial Instruments: Disclosures;

b) the requirements of paragraphs 91 – 99 of IFRS 13 Fair Value Measurement;

c) the requirements of IAS 7 Statement of Cash Flows;

d) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;

e) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;

f) the requirements of paragraphs 45(b) and 46 – 52 of IFRS 2 Share Based Payment;

g) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 'Presentation of Financial Statements';

h) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1; and

i) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to135(e) of IAS 36 Impairment of Assets.

Basis of measurement
The Company financial statements are prepared on the historical cost basis with the exception of derivative financial instruments which are classified as at fair value through profit or loss.

Going concern
The accounts have been prepared on a going concern basis as described in note 1 of the consolidated Group financial statements. The Group cash reserves are forecast to be sufficient for the entire business to remain a going concern, without recourse to alternative sources of finance, for the period to 30 September 2023. Consequently, the on-going ability to redistribute cash between the individual entities within the Group, and the commitment of these entities to provide each other with mutual financial support as required, ensures that the Company will similarly remain a going concern.

Critical accounting judgements and key sources of estimation uncertainty
The key accounting judgements of the Company are:

1. The carrying value of its investments in subsidiary undertakings.

The basis of assessing this is done by reviewing long-term forecasts for Thruvision Limited and Thruvision Inc to determine if the investment in either subsidiary requires impairment. The Company does not deem its investments in subsidiary undertakings to be impaired.

2. The carrying value of amounts due from subsidiary undertakings.

The basis of assessing whether the amount due from subsidiary undertakings are recoverable in full under IFRS 9 involves reviewing the current estimated value that assets within the subsidiary could be converted into cash for, less the current amount of cash due to creditors, in order to determine whether the subsidiary could repay the debt owing to the Company. An assessment was carried out at the year end by the Directors and amounts due from subsidiary undertakings do not require to be impaired.

2. Accounting policies continued

Share-based payments
The basis of valuation of the equity awards under the various share option schemes, to arrive at the share-based payment charge or credit, are the same as for the Group accounts and detailed in note 1.5.3: Accounting policies on page 49 of this report.

The Company uses the same basis and judgements for measuring and determining the share-based payment charge/(credit) as used for the Group, which is described in further detail in note 1.5.4 on page 49.

Foreign currencies
The Company's financial statements are presented in Sterling. Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Investments
Fixed asset investments in subsidiaries' shares are held at cost (or deemed cost as at the date of transition) less any accumulated impairment losses in accordance with IAS 27 'Separate Financial Statements'.

Share options granted to subsidiary employees are included within capital contributions within fixed asset investments at the amount of the share-based payment charge incurred by the subsidiary. Investments made by way of a capital contribution into the subsidiary are carried at cost.

Impairment
The Company's accounting policies in respect of impairment of financial assets are consistent with the Group.

The carrying values of investments in subsidiary undertakings are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Loans to Group undertakings
Loans to Group undertakings are recognised initially at fair value and subsequently at amortised cost using the effective interest rate method, less provision for impairment.

Cash equivalents
Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

Financial instruments
Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument. Financial assets are de-recognised when the contracted rights to the cash flows from the financial asset expire or when the contracted rights to those assets are transferred. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

The fair value of a derivative financial instrument represents the present value of positive or negative cash flows which would have occurred had the rights and obligations arising from that instrument been closed out by the Group in an orderly market transaction at balance sheet date.

Employee Benefit Trust
The Thruvision Group Plc Employee Benefit Trust (the 'Trust'), which purchases and holds Ordinary Shares of the Company in connection with certain employee share schemes, is included in the Company's financial statements. Any consideration paid or received by the Trust for the purchase or sale of the Company's own shares is shown as a movement in Shareholders' equity.

Income taxes
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

2. Accounting policies continued

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Income tax is charged or credited to the income statement if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

3. Employees

The average number of employees during the year were as follows:

	Average 2022	Average 2021
Directors and administration	**5**	5

The employee benefit expense for the year of these employees amounted to:

	2022 £'000	2021 £'000
Salaries and short-term employee benefits	**678**	634
Social security costs	**86**	81
Pension costs	**5**	5
Share-based payments (credit)/charge	**(176)**	173
Intercompany recharge to Thruvision Limited	**(412)**	(400)
	181	493

4. Investments

	Total £'000
Cost	
At 31 March 2020	11,945
Capital contribution	244
Other additions	6,000
Disposals	–
At 31 March 2021	18,189
Capital contribution	(191)
Investment disposals	(741)
At 31 March 2022	**17,257**
Amounts provided	
At 31 March 2020 and 31 March 2021	4,348
Disposals	(741)
At 31 March 2022	**3,607**
Net book value	
At 31 March 2022	**13,650**
At 31 March 2021	13,841
At 31 March 2020	7,597

4. Investments continued

Notes to movements in Investments
The capital contributions relate to share options granted to employees of subsidiary undertakings. During the year, these amounted to a share-based payment credit and hence a credit capital contribution of £191,000. (In 2021, there was a share-based payment charge and hence there was a capital contribution of £244,000).

The disposal in the year and writeback to Amounts provided relate to Codestuff Limited, which was struck off from the public register on 20 April 2021.

All of the Company's investments are unlisted, including the dormant subsidiaries included in note 27 in the process of being liquidated and struck off.

Details of the Company's subsidiary undertakings as at 31 March 2022, are disclosed in note 27 of the Group financial statements.

5. Trade and other receivables

	Gross carrying amounts 2022 £'000	**Provision for impairment 2022 £'000**	**Net carrying amounts 2022 £'000**	Gross carrying amounts 2021 £'000	Provision for impairment 2021 £'000	Net carrying amounts 2021 £'000
Amounts falling due after one year	**–**	**–**	**–**	–	–	–
Amounts falling due within one year						
Amounts owed by subsidiary undertakings	**1,045**	**–**	**1,045**	82	–	82
Prepayments and accrued revenue	**24**	**–**	**24**	26	–	26
Other debtors	**19**	**–**	**19**	–	–	–
	1,088	**–**	**1,088**	108	–	108

Amounts owed by subsidiary undertakings are non-interest bearing and repayable on demand. The provision for expected credit losses was £nil (2021: £nil).

6. Share capital

	Number	£'000
Authorised, allotted, called-up and fully paid		
Ordinary Shares of 1 pence each		
At 31 March 2020	145,454,118	1,455
Shares issued in the year	325,000	3
At 31 March 2021	145,779,118	1,458
Shares issued in the year	810,000	8
At 31 March 2022	**146,589,118**	**1,466**

	£'000
Total share capital	
At 31 March 2020	1,455
Shares issued in the year	3
At 31 March 2021	1,458
Shares issued in the year	8
At 31 March 2022	**1,466**

The rights preferences and restrictions attached to each class of share are disclosed in the Group financial statements on page 52.

Full details on the movements in share capital are provided in note 17 of the Group financial statements.

7. Trade and other payables

Current	2022 £'000	2021 Restated £'000
Trade creditors	**62**	36
Accruals	**261**	227
Social security and other taxes	**29**	30
	352	293

8. Related party transactions

Transactions with the Directors of the Company are disclosed in the Remuneration report and in note 23 of the Group financial statements.

Amounts outstanding due from related parties that have had transactions during the year are detailed below:

	2022 £'000	2021 £'000
Amounts owed by subsidiary undertakings	**1,045**	82

Amounts owed by subsidiary undertakings are interest free and repayable on demand. There were no amounts outstanding due to related parties.

9. Prior period restatement

On 17 December 2020, a final dividend of £8,762,618 was declared by subsidiary undertaking COE Group Limited, payable to Thruvision Group plc. Payment was due to be effected through the settlement of outstanding intra-Group balances. This dividend concluded the rationalisation exercise of the COE Group prior to the voluntary liquidation of Thruvision Group plc's dormant subsidiaries, which are listed in note 27 on page 76 of the Group accounts.

However, the transaction explained above was not recorded in the prior year accounts and therefore has been presented as a prior year restatement for the year ended 31 March 2021. This correction has no impact on the trading results or net asset values of the Thruvision Group consolidated financial statements in either the current or prior years.

9. Prior period restatement continued

The following tables show the impact of the prior period restatement for the year ended 31 March 2021:

Profit and loss for the year ended 31 March 2021	2021 As previously reported £'000	2021 Adjustment £'000	2021 Restated £'000
(Loss)/profit for the year	(983)	8,763	7,780

Balance sheet as at 31 March 2021	2021 As previously reported £'000	2021 Adjustment £'000	31 March 2021 Restated £'000
Non-current assets			
Investments	13,841	–	13,841
Current assets			
Trade and other receivables	108	–	108
Cash and cash equivalents	5,546	–	5,546
	5,654	–	5,654
Total assets	19,495	–	19,495
Equity and liabilities			
Equity share capital	1,458	–	1,458
Share premium	47	–	47
Capital redemption reserve	163	–	163
Other reserves	541	–	541
Retained earnings	8,230	8,763	16,993
Total equity	10,439	8,763	19,202
Current liabilities			
Trade and other payables	9,056	(8,763)	293
Total liabilities	9,056	(8,763)	293
Total equity and liabilities	19,495	–	19,495

The prior period adjustment had no impact to the opening balances as at 31 March 2020. Additionally, the dividend settled outstanding intra-Group balances in full, and the above adjustment eliminates on consolidation, so the prior period adjustment had no impact on the Group results for either the prior period or the current period.

10. Contingent liabilities

The Company had no contingent liabilities as at 31 March 2021 and 31 March 2022.

11. Post-balance sheet event

The Company has no post-balance sheet events.

12. Statutory and other information

The Company is a public limited company incorporated and domiciled in England and Wales. The Company's Ordinary Shares are listed on the Alternative Investment Market, regulated by the London Stock Exchange.

Directors' remuneration is disclosed in note 23 of the Group financial statements.

The fee for the audit of the Company was £98,000 (2021: £38,000). The Company's individual accounts do not disclose fees for other services required by Regulation 5(1)(b) of the Companies (Disclosure of Auditor Remuneration) Regulations 2008 as exempt because the Group financial statements are required to comply with and include the disclosures required by Regulation 5(1)(b).

Details of share-based payments are in the Remuneration report on pages 25 to 31. Information on the main employee share-based payments is given in note 18 to the consolidated Group financial statements. Details of the remuneration of key management personnel are given in note 23 to the consolidated Group financial statements.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent advisor authorised under the Financial Services and Markets Act 2000 if you are resident in the UK or, if you reside elsewhere, another appropriately authorised financial advisor.

If you have sold or otherwise transferred your shares in Thruvision Group plc, you should forward this document and other documents enclosed as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

Thruvision Group plc
Notice of Annual General Meeting

(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 07149547)

NOTICE IS HEREBY GIVEN THAT an Annual General Meeting (the 'Meeting' or the 'AGM') of Thruvision Group plc (the 'Company') will be held at Investec Bank plc, 30 Gresham Street, London EC2V 7QP at 10.00 am on Wednesday 26 October 2022 to consider and, if thought fit, to pass the following resolutions of which Resolutions 1 to 10 will be proposed as ordinary resolutions of the Company and Resolutions 11 to 13 will be proposed as special resolutions of the Company.

Ordinary business

1. To receive and adopt the audited financial statements of the Company for the year ended 31 March 2022 and the reports of the Directors and auditors thereon.
2. To approve the Directors' remuneration report for the year ended 31 March 2022.
3. To re-elect Tom Black as a Director, who retires in accordance with the Company's Articles of Association.
4. To re-elect Colin Evans as a Director, who retires in accordance with the Company's Articles of Association.
5. To re-elect Richard Amos as a Director, who retires in accordance with the Company's Articles of Association.
6. To elect Katrina Nurse as a Director, who having been appointed since the last Annual General Meeting offers herself for election in accordance with the Company's Articles of Association.
7. To elect Victoria Balchin as a Director, who will join the Company on 1 October 2022, and having been appointed since the last Annual General Meeting offers herself for election in accordance with the Company's Articles of Association.
8. To re-appoint Grant Thornton UK LLP as auditor of the Company to hold office from the conclusion of the AGM until the conclusion of the next general meeting of the Company at which accounts are laid before the Company.
9. To authorise the Directors to determine the remuneration of the auditor.

Special business

10. That, in substitution for any existing authorities and powers granted to the Directors pursuant to Section 551 of the Companies Act 2006 (the 'Act') prior to the passing of this resolution, the Directors be and are hereby generally and unconditionally authorised pursuant to Section 551 of the Act to exercise all powers of the Company to allot shares in the Company, and to grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being 'relevant securities') up to an aggregate nominal amount of £490,552 and unless previously renewed, revoked, varied or extended this authority shall expire on the earlier of the conclusion of the next Annual General Meeting of the Company and the date falling 15 months after the date of passing of this resolution, except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of any such offer or agreement as if this authority had not expired.
11. That, conditional upon the passing of Resolution 10 and in substitution for all existing authorities and powers given to the Directors pursuant to Section 570 of the Act prior to the passing of this resolution, the Directors be and are hereby empowered pursuant to Section 570(1) of the Act to allot equity securities (as defined in Section 560 of the Act) of the Company wholly for cash pursuant to the authority of the Directors under Section 551 of the Act conferred by Resolution 10 above, and/or where such allotment constitutes an allotment of equity securities by virtue of Section 560(2) of the Act as if Section 561(1) of the Act did not apply to any such allotment, provided that such power conferred by this resolution shall be limited to:

    a) the allotment of equity securities in connection with an invitation or offer of, or invitation to apply for, equity securities to the holders of Ordinary Shares in the capital of the Company (excluding any shares held by the Company as treasury shares (as defined in Section 724(5) of the Act)) on a fixed record date in proportion (as nearly as practicable) to their respective holdings of such Shares or in accordance with the rights attached to such shares (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, record dates or legal or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in any territory or otherwise howsoever); and

b) the allotment (otherwise than pursuant to paragraph (a) of this resolution) of equity securities up to a maximum nominal amount equal to £73,582

and unless previously renewed, revoked, varied or extended this power shall expire on the earlier of the conclusion of the next Annual General Meeting of the Company and the date falling 15 months after the date of passing of this resolution, except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if this power had not expired.

12. That, in substitution for any equivalent authorities and powers granted to the Directors prior to the passing of this resolution, the Directors be and they are empowered in addition to the authority granted pursuant to Resolution 11 to allot equity securities (as defined in Section 560 of the Act) of the Company wholly for cash pursuant to the authority of the Directors under Section 551 of the Act conferred by Resolution 10 above (in accordance with Section 570(1) of the Act) and/or by way of a sale of treasury shares (in accordance with Section 573 of the Act), in each case as if Section 561(1) of the Act did not apply to such allotment provided that:

a) the power conferred by this resolution shall be:

(i) limited to the allotment of equity securities up to an aggregate nominal value equal to £73,582;

(ii) used only in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment, or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment; and

b) unless previously revoked, varied or extended, this power shall expire on the earlier of the conclusion of the next Annual General Meeting of the Company and the date falling 15 months after the date of passing of this resolution, except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted or sold after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if this power had not expired.

13. That the Company be and is hereby generally and unconditionally authorised (pursuant to Section 701 of the Act) to make one or more market purchases (as defined in Section 693(4) of the Act) on the London Stock Exchange (the 'Exchange') of any of its own Ordinary Shares of 1 penny each ('Ordinary Shares') on such terms and in such manner as the Directors of the Company may from time to time determine provided that:

a) the maximum number of Ordinary Shares hereby authorised to be purchased is 22,074,857;

b) the maximum price (excluding expenses) which may be paid for an Ordinary Share is an amount equal to 105% of the average of the middle market quotations for an ordinary share derived from the AIM appendix of the Daily Official List of the Exchange for the five business days immediately prior to the day on which the Share is contracted to be purchased;

c) the minimum price which may be paid for an Ordinary Share is 1 penny exclusive of attributable expenses payable by the Company; and

d) the authority conferred by this resolution, unless previously renewed, revoked, varied or extended, shall expire on the earlier of the conclusion of the next Annual General Meeting of the Company and the date falling 15 months after the date of passing this resolution, except that the Company may, before such expiry, enter into one or more contracts for the purchase of Ordinary Shares which may be completed by or executed wholly or partly after the expiration of this authority.

By order of the Board:

John Woollhead
Company Secretary

29 September 2022

Registered Office
121 Olympic Avenue
Milton Park
Abingdon
Oxon
OX14 4SA

Appendix 1 Explanatory notes to certain resolutions

Resolution 10 – Directors' power to allot relevant securities
This resolution grants the Directors authority to allot Shares in the capital of the Company and other relevant securities up to an aggregate nominal value of £490,552, representing approximately one third of the nominal value of the issued Ordinary Share capital of the Company as at 29 September 2022, being the latest practicable date before the publication of this notice. Unless revoked, varied or extended, this authority will expire at the conclusion of the next Annual General Meeting of the Company, or the date falling 15 months from the passing of the resolution, whichever is the earlier.

Resolution 11 – Directors' power to issue Shares for cash
This resolution authorises the Directors in certain circumstances to allot equity securities for cash other than in accordance with the statutory pre-emption rights (which require a Company to offer all allotments for cash first to existing Shareholders in proportion to their holdings). The relevant circumstances are either where the allotment takes place in connection with a rights issue or the allotment is limited to a maximum nominal amount of £73,582 representing approximately 5% of the nominal value of the issued Ordinary Share capital of the Company as at 29 September 2022 (being the latest practicable date before the publication of this notice) for general purposes. Unless revoked, varied or extended, this authority will expire at the conclusion of the next Annual General Meeting of the Company or 15 months after the passing of the resolution, whichever is the earlier.

Resolution 12 – Directors' power to issue Shares for cash
This resolution authorises the Directors to allot further equity securities for cash in connection with acquisitions or other specified capital investments which are announced contemporaneously with the allotment, or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment. This authority is limited to a maximum nominal amount of £73,582 which represents approximately 5% of the nominal value of the issued Ordinary Share capital of the Company as at 29 September 2022 (being the latest practicable date before publication of this notice). The Directors consider that the power proposed to be granted by Resolution 12 is necessary to retain flexibility, although they do not have any intention at the present time of exercising such power. Unless revoked, varied or extended, this authority will expire at the conclusion of the next Annual General Meeting of the Company, or 15 months after the passing of the resolution, whichever is the earlier.

Resolution 13 – Directors' authority to purchase shares (market purchases)
This resolution authorises the Directors to make market purchases of up to 22,074,85 Ordinary Shares (representing approximately 14.99% of the Company's issued Ordinary Share capital as at 29 September 2022, being the latest practicable date before publication of this notice). Shares so purchased may be cancelled. The authority will expire at the end of the next Annual General Meeting of the Company or 15 months from the passing of the resolution, whichever is the earlier. The Directors intend to seek renewal of this authority at subsequent Annual General Meetings.

The minimum price that can be paid for an Ordinary Share is 1 penny, being the nominal value of an Ordinary Share. The maximum price that can be paid is 5% over the average of the middle market prices for an Ordinary Share, derived from the AIM appendix of the Daily Official List of the London Stock Exchange, for the five business days immediately before the day on which the relevant share is contracted to be purchased.

The Directors intend to exercise this right only when, in light of the market conditions prevailing at the time and taking into account all relevant factors (for example, the effect on earnings per Share), they believe that such purchases are in the best interests of the Company and its Shareholders generally. The overall position of the Company will be taken into account before deciding upon this course of action.

Recommendation
The Directors consider that the proposals being put to the Shareholders at the AGM are in the best interests of the Company and of the Shareholders as a whole. Accordingly, the Directors recommend that you vote in favour of the resolutions set out in the Notice of the AGM, as they intend to do in respect of their own beneficial holdings of Ordinary Shares.

Explanatory notes on proxy voting:

1. Every Shareholder has the right to appoint some other person(s) of their choice, who need not be a Shareholder, as his or her proxy to exercise all or any of his or her rights, to attend, speak and vote on their behalf at the AGM. If you wish to appoint a person other than the Chairman, please insert the name of your chosen proxy holder in the space provided on the reverse of the proxy form. If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name on the reverse of the proxy form, the number of Shares in relation to which they are authorised to act as your proxy. If returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise his or her discretion as to whether, and if so how, he or she votes (or if this proxy form has been issued in respect of a designated account for a Shareholder, the proxy will exercise his or her discretion as to whether, and if so how, he or she votes).
2. To appoint more than one proxy to exercise rights attached to different Shares, an additional proxy form(s) may be obtained by contacting the Company's registrar, Computershare Investor Services plc's helpline on 0370 707 1889 or you may photocopy the proxy form. Please indicate in the box next to the proxy holder's name on the reverse of the proxy form the number of Shares in relation to which they are authorised to act as your proxy. Please also indicate by marking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
3. To be valid a proxy form, and the original or duly certified copy of the power of attorney or other authority (if any) under which it is signed or authenticated should reach the Company's registrar, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by no later than 10.00 am on Monday 24 October 2022. You can only appoint a proxy using the procedures set out in these notes and in the notes to the proxy form.
4. The 'Vote Withheld' option is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
5. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), entitlement to attend and vote at the AGM and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at 6.00 pm on Monday 24 October 2022 (or if the AGM is adjourned, 48 hours before the time fixed for the adjourned AGM). Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the AGM.
6. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 10.00 am on Monday 24 October 2022 being two working days before the time appointed for holding the AGM. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended). Alternatively, Shareholders can appoint a proxy electronically at www.investorcentre.co.uk/eproxy by following the instructions on the website. Shareholders will need their reference numbers (PIN and control number) set out on the front of their proxy form, or received via email, to complete the online process.
7. The address on the proxy form is how it appears on the Register of Members. If this information is incorrect, please ring the Registrar's helpline on 0370 707 1889 to request a change of address form or go to www.investorcentre.co.uk to use the online Investor Centre service.
8. Any alterations made to the proxy forms should be initialled.
9. The completion and return of the proxy forms will not preclude a member from attending the AGM and voting in person.
10. In the case of joint holders of Shares, the vote of the first named in the register of members who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.
11. Please note that communications regarding the matters set out in this Notice of AGM will not be accepted in electronic form, other than as specified in the accompanying proxy form.
12. A member that is a Company or other organisation not having a physical presence cannot attend in person but can appoint someone to represent it. This can be done in either one of two ways: Either by appointment of a proxy (described in note 1 above) or of a corporate representative. Members considering the appointment of a corporate representative should check their own legal position, the Company's Articles of Association, and the relevant provision of the Companies Act 2006.

Officers and professional advisors

Directors and Officers

Tom Black
Chairman

Colin Evans
Chief Executive Officer

Richard Amos
Non-Executive Director

Katrina Nurse
Non-Executive Director

John Woollhead
Company Secretary

Registered Office

121 Olympic Avenue
Milton Park
Abingdon
Oxon
OX14 4SA

Registered No: 07149547

Registrars

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

Auditors

Grant Thornton UK LLP
Southampton Science Park
Chilworth
Southampton
SO16 7QJ

Nominated Advisor

Investec
30 Gresham Street
London
EC2V 7QP

Financial PR

F T I Consulting
Holborn Gate, 26 Southampton Buildings
London
WC2A 1PB

Bankers

HSBC
City of London Corporate Banking Centre
60 Queen Victoria Street
London
EC4N 4TR

Solicitors

Osborne Clarke
One London Wall
London
EC2Y 5EB

Notes

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THRUVISION
PEOPLE-SCREENING

Annual Report and Accounts
2022

Addressing the urgent need for 'safe distance' people security screening in the COVID era, Thruvision is uniquely capable of detecting metallic and non-metallic items including weapons, explosives and contraband items that are hidden under clothing, at distances between 3 and 10m. Using patented passive terahertz technology, Thruvision completely removes the need for physical 'pat-downs' and has been vetted and approved by the US Transportation Security Administration for surface transportation. Operationally deployed in 20 countries around the world, Thruvision is used for aviation security, retail supply chain loss prevention, customs and border control, and public area security. The Company has offices near Oxford and Washington DC.

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